

VI. Strategies

This section of the Housing Master Plan provides further analysis of specific issues identified in the Analysis of Current Conditions and the Planning Process and puts forth recommendations aimed at addressing those issues. The first part of this section provides fundamental revitalization principles that should be followed in housing development efforts. These six principles recommend the use of a comprehensive revitalization approach, facilitation of land assembly, improvements in the basic attributes of the community, increases in financial resources, increases in private sector and community participation in redevelopment activities, and resource targeting.

The second part proposes a set of policy recommendations for consideration by City Council to optimize the use of CDBG/HOME funding. These policy issues deal with the allocation of federal funding, maximum benefit to program recipients, and geographic targeting.

The third part takes a closer look at several specific housing issues and provides recommendations on programmatic needs. These issues include: housing alternatives, infrastructure, community self-help/institutional initiatives, capacity building, special needs housing, military housing, downtown housing, and market rate housing. Each issue is examined and possible solutions are put forward.

The fourth part of this section provides example program designs to implement some of the recommendations made in the previous part. Cottage housing, modular/factory built housing, employer assisted housing, and shared housing models are presented.

Part five looks at the current distribution of federal funding resources, other sources of funding, and provides recommendations concerning funding allocation and the solicitation and evaluation of funding proposals.

Part six provides some urban design recommendations. These recommendations are illustrated as applied to the Rosedale and Sunny Slope communities.

The last part of this section provides recommendations concerning E-Commerce strategies. It proposes a web-based information collection and information sharing network that broadens access to housing finance and development programs and agencies.

VI. 1. Fundamental Housing And Revitalization Principles

The San Antonio Housing Master Plan seeks to provide leadership in the production of affordable housing, the improvements of neighborhood revitalization efforts, and the development of a more effective housing delivery system. In order to achieve these goals, the Housing Master Plan embraces six Fundamental Principles.

Principle One. Improve housing and neighborhood stability through the use of a comprehensive revitalization approach.

Principle Two. Facilitate land assembly for renovation and redevelopment.

Principle Three. Improve the community's basic attributes.

Principle Four. Increase financial resources dedicated to housing and neighborhood revitalization.

Principle Five. Increase private sector and community participation in community revitalization.

Principle Six. Concentrate neighborhood improvement through resource targeting, leveraging of resources, and prioritized use of resources.

Principle One. Comprehensive Revitalization Approach

The revitalization of San Antonio's older neighborhoods, stabilization of other existing neighborhoods, and the strengthening of its affordable housing supply require a comprehensive approach. This model should be followed by the City of San Antonio and any development partners looking to work with the City. This involves a planning and implementation program with three major components:

- Community Building Plan
- Property Improvement Plan
- Area improvement Plan

Community Building Plan

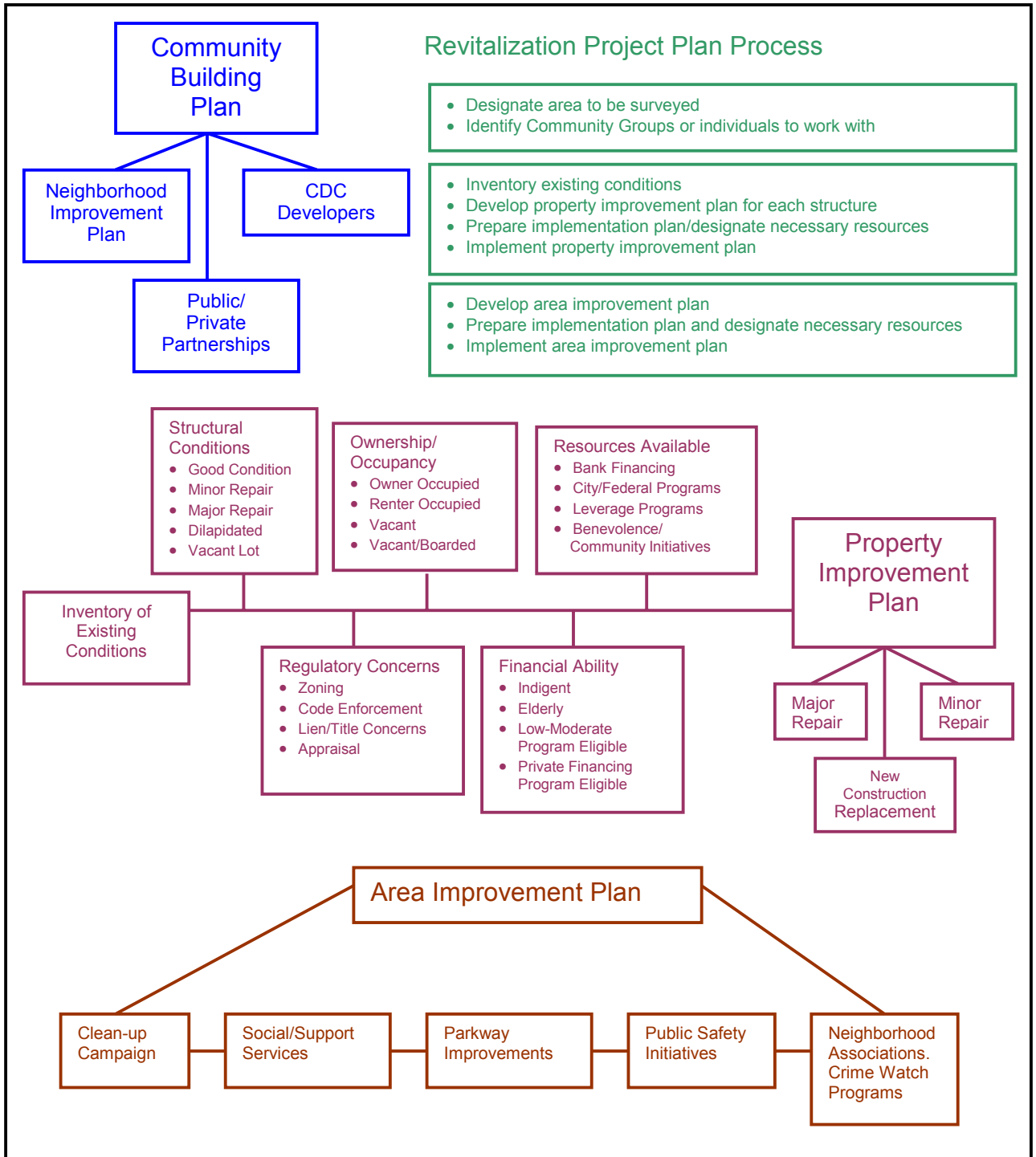
The Community Building Plan involves the establishment of a working relationship with the residents, property owners, and community organizations in the area. This is a most important step in that community resources are identified and nurtured, to serve as building partners for affordable housing projects and to undertake specific revitalization actions.

The Community Building Plan has three parts. First is the development of community goals and objectives for neighborhood improvements. This establishes a vision of what the community wants to see happen in the area. It also helps establish a commitment to carry out specific housing and revitalization actions later in the process. Second is the identification of potential public/private partnership opportunities for various revitalization activities. These may range from civic groups for neighborhood litter pickup to specific contractual relationships with development entities that are involved in housing rehabilitation or development. Part three identifies or establishes Community Development Corporations (CDCs) to serve as developers in the area. This may involve the creation of a new CDC specifically for work in the area if none are currently operating in the area.

Property Improvement Plan

The second major component is the development of a "Property Improvement Plan" which is essentially a parcel-by-parcel assessment of the specific revitalization actions needed. The property improvement plan starts with an inventory of existing conditions of each property within the planning area. The physical and structural conditions of each house or vacant lot are determined, along with information on ownership, regulatory concerns, and financial resources that might potentially be

accessed for improvements. A prescription for each property is then prepared. Such prescriptions may involve owner-occupied rehabilitation, renter purchase of the unit for home ownership, or demolition of substandard housing units and acquisition of the lot by the CDC for new housing development.



Area Improvement Plan

The third major component is the “Area Improvement Plan”. This component identifies improvements that are needed for the areas as whole or specific actions needed over a number of properties. It includes: physical improvements to support reinvestment, such as urban design amenities, traffic controls, or street closures; neighborhood self-help initiatives, such as clean up campaigns and planting in medians or parkways; public safety initiatives, such as crime watch, bicycle patrols, and crime prevention workshops; and social and civic support services by neighborhood associations and social service providers.

The development of the Area Improvement Plan brings the participants together around a mutually developed and shared vision for the neighborhood, identifies specific strategies and tools to be used to improve the area, and identifies community-wide actions that support and facilitate revitalization activities.

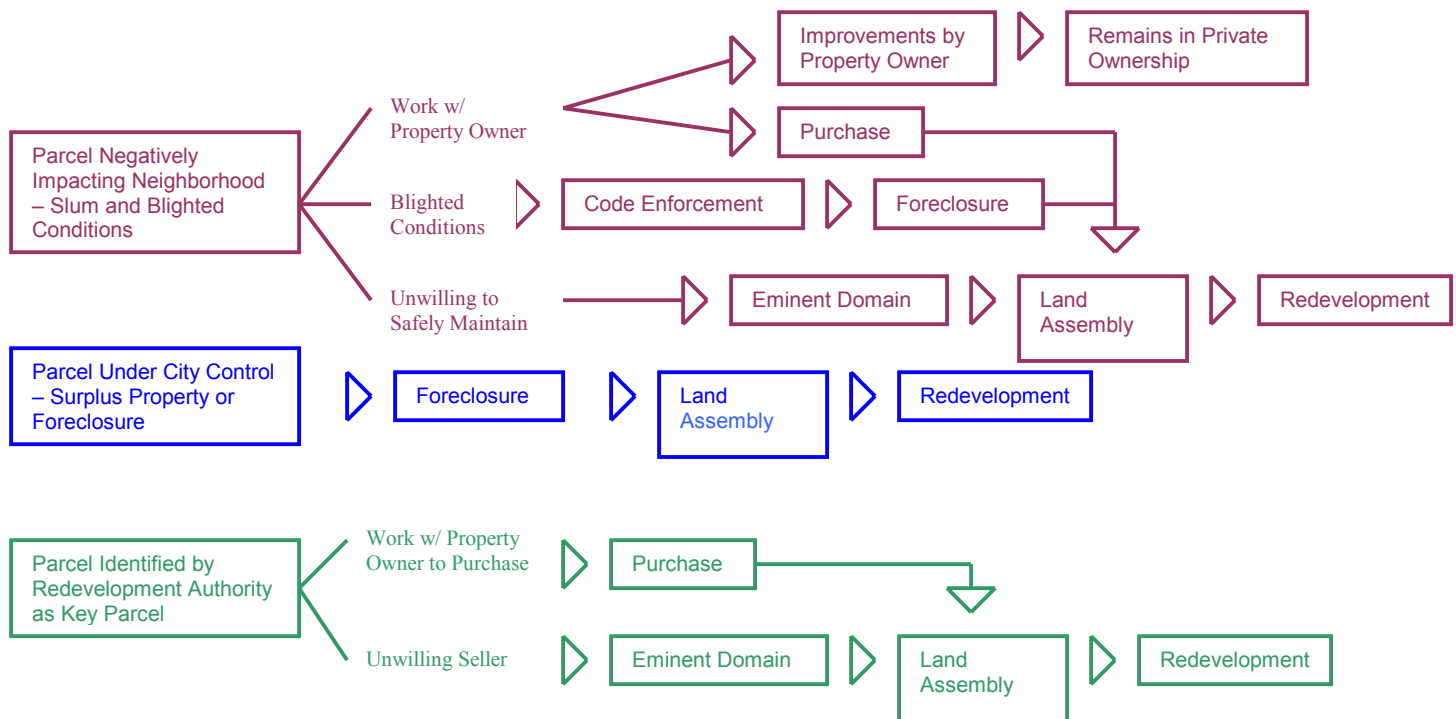
Principle Two. Land Assembly

In order to implement the Comprehensive Revitalization Approach, it will be necessary to preserve some parcels of land for future redevelopment. In other instances, vacant lots and substandard housing units that negatively impact surrounding property must be controlled. It is recommended that the powers afforded redevelopment authorities under State Law be used to assemble this land. The San Antonio Redevelopment Agency (SADA) should be designated as a citywide “Land Assembly Authority” and given the responsibility of receiving and maintaining property for future redevelopment in targeted areas throughout the City. These parcels could then be sold to nonprofit corporations, CDCs and others who submit a plan for area redevelopment based on the comprehensive revitalization model previously presented. The advantages of a citywide Land Assembly program are as follows:

1. Removes blighted conditions and halts further proliferation of such conditions.
2. Provides active and responsible ownership interest for troubled and abandoned property until redevelopment can occur.
3. Facilitates land assembly that allows projects that otherwise could not move forward due to the inability to acquire critical parcels.
4. Provides a supply of lots for infill housing construction that can be coordinated with other efforts or projects.

5. Maintains an inventory of lots for new housing construction available to community partners such as CDCs, faith based institutions, and others engaged in community revitalization.

SADA, as the redevelopment arm of the City, would receive property for the land assembly authority through voluntary donation by the property owner, transfer from the city of surplus and tax foreclosure property, purchase from private ownership, purchase of foreclosure property at sheriff sale, and use of its powers of eminent domain in support of removal of slum and blight and as action required in implementing the Comprehensive Revitalization Approach. The following diagram illustrates how those various property acquisitions and transfers would be accomplished.



Principle Three. Improvements To The Community's Basic Attributes

Neighborhood revitalization must include addressing needed improvements to the community's basic attributes such as: public safety, clean streets, timely infrastructure improvements, trash collection, brush collection, well maintained buildings, vacant lots that are regularly mowed and kept free of debris, regular yard maintenance, and a general neighborhood appearance and level of community involvement that suggest that people care about their community. These basic attributes tend to shape both the way a neighborhood sees itself and how those

entering the neighborhood for the first time view it. The basic attributes also tend to be important triggers for private investment and re-investment into a neighborhood. That is, when the basic attributes are highly visible, re-investment is usually high as well.

It is important that the master plan include provisions to maintain stability in neighborhoods that are otherwise stable with tools such as City Service Response Teams (CSRT). The CSRT constitute teams of city regulators dispatched as a team to deal with multi-department issues that threaten the continued stability of an area. These problems range from deteriorated apartments complexes, that also may be experiencing illegal activities occurring on premise, to a proliferation of bars and clubs with code enforcement, public safety, and parking problems. While these may be isolated issues today, if allowed to fester, their effects could spread throughout the area. The City's Council Action Team (CAT) could forward problems identified in their areas to the CSRT for attention.

Other areas require an enhanced level of services. These are neighborhoods that have suffered through a number of destabilizing issues and will require additional levels of city services in conjunction with organized efforts to revitalize. This might include additional bulk items and brush collection after successful code enforcement sweeps to encourage residents to place unwanted items on the curb. Special bicycle and beat patrols, in addition to regular police patrols, may be needed and subsidized by area merchants. Other programs include code enforcement education workshops that inform the public of what constitutes a violation and offers creative, cost effective suggestions concerning how to cure code violations.

Sometime existing regulations and enforcement alternatives are not sufficient to deter many of the violators who have a consistent pattern of violating the codes or responding only after regulatory agencies have issued statutory warnings. An example of this would be requiring code enforcement violators that have repeat violations on the same property in a twelve month period to pay citations as a first action and graduated fines for each successive violation. Multiple or chronic violator enforcement would allow code enforcement officials to file one district court action for all properties in violation of the codes, when owned by the same entity who has a consistent pattern of violations of municipal codes. This would result in court actions that assign fines or other judgments that more closely fit the impact that such landlords are having on the community.

Principle Four. Increase Financial Resources

The City of San Antonio must increase its resources dedicated to housing and neighborhood revitalization. The following represents perspective housing finance and housing development tools and sources of funds that have been successfully used in other communities as prescriptive solutions to issues faced. During our assessment of current conditions we found that these tools were not being used in the San Antonio market or that they were otherwise under-utilized. The descriptions below represent an outline of how these various tools work and how they might be structured. Their application will be further explored throughout this report as we selectively apply their conceptual framework to various needs and issues identified.

Employer Assisted Housing – Private companies and public organizations have responded to the need to help lower the housing cost burden and the long distances their employees must travel to the workplace. Innovative approaches include direct subsidies and loans to make housing affordable, available as part of their employee benefits programs. This trend follows passage of U.S. Congressional Legislation in April 1990, lifting prohibitions on bargaining for housing benefits during labor negotiations. Today we have moved far beyond housing benefits extracted during labor negotiations to a number of benefits that are often initiated by management such as: 1) grants for down payment, closing cost, interest rate buy downs and mortgage subsidy; 2) repayable loans at reduced interest rates, and loans for risky borrowers; 3) deferred-payment loans and forgivable loans where the interest and/or portions of the principle are forgiven over a specified period of time or deferred and paid through an appreciation sharing agreement; 4) monthly mortgage subsidy allowances; and 5) loan guarantees. Governmental entities including municipalities have also institutes such programs for its employees, particularly for its uniformed officers, as a means of encouraging them to reside in the municipality or in select target areas. The military has began programs utilizing the real estate industry and off base housing as a primary source of housing rather than building new base housing. Also, the Fannie Mae Foundation office in San Antonio utilizes an Employer-Assisted Housing Program for its employees and is working with other local employers to spread its use.

Pension Funds and Credit Unions – With the increase in contribution to employee pension funds and favorable legislation regarding the use of those funds, pension funds have become an attractive source for financing real estate projects. This source has progressed to the point that the U.S. Department of HUD now has initiatives specifically designed to work with pension fund. One of the most active pension funds involved in these

programs is the AFL/CIO workers union. Other funds that have significant presence in San Antonio should also be explored.

Credit Unions are another potential source of project funding, having enjoyed the growth of investment in credit union throughout the country. Unlike banking institutions, credit unions generally are open to a limited population, typically employees of particular companies or organizations. Over the years, some credit unions have opened its membership to the general public. Credit unions can offer its members attractive interest rates for home loans, home improvement loans and other products due to their lack of emphases on earning a profit. Developers find their lending practices more favorable for affordable housing clients purchasing and rehabilitating housing units in the inner city.

Federal Home Loan Bank Affordable Housing Programs – The Federal Home Loan Bank sponsors a competitive loan or grant program open to projects sponsored by member banks. The program provides loans and grants for acquisition, construction, equity, and other development activities designed to help make housing affordable to low and moderate-income persons. Project sponsors may be municipal agencies or nonprofit organizations. Projects are generally limited to single family for persons earning below 80 percent of the area median family income or multifamily projects where at least 20 percent of the units are reserved for persons earning less than 50 percent of the area median family income. These competitions are generally twice annually, with applications due in April and October.

Public Improvement Districts – Recent successes are noted in implementing a public improvement district for a specified area where property owners voluntarily enter into an agreement to levy a special tax to pay for public improvements. The income from this special tax is used to fund specific projects within the district benefiting property owners.

Tax Increment Finance Districts – Tax increment financing is a system whereby property values in a particular district are frozen for tax purposes, at a certain level, generally reflecting assessed values prior to area reinvestment. When property values rise, the taxes on the increased values are then reinvested back into the development of the area. This concept allows cities to make infrastructure improvements at a pace that supports new surges in development at a time when those improvements have not been budgeted. TIF's are based on the concept that new value will be created, and that future value can be used to finance improvements needed now to create this future value. While San Antonio has enjoyed limited success with TIF Districts, it has been a discouragingly slow process with development occurring well in advance of the finalization of the TIF District.

Urban Design Standards – Urban Design Standards attempt to give conceptual form to contiguous areas of the city or the city as a whole. It implies a fundamental approach concerned with location, mass, and layout of land uses. Urban design combines urban planning, architecture and landscape architecture to create attractive places for people to live, work and play. Most recently, the emphasis for urban design in affordable housing neighborhood has been one of increasing livability, enhancing public safety and highlighting change agents at work in neighborhood revitalization areas. In other words, it's not enough to simply rebuild housing, but we must creatively market the positive change occurring within neighborhoods. For San Antonio neighborhoods, urban designs' importance is often waved in lieu of reducing housing cost or tax burdens on home- owners.

Principle Five. Increase Private Sector And Community Participation In Housing Development And Revitalization

Much of the responsibility for housing and neighborhood revitalization today, rests with City Departments and external agencies such as SADA and SAHA. Other than City agencies, there exist a small group of neighborhood-based community development corporations with a primary focused agenda of improving neighborhoods. The City cannot solve its housing problems acting along, but must make a concerted effort to increase the number of participants that are actively involved in the housing delivery system. The Housing Master Plan must identify opportunities to involve the following.

1. Greater leveraging of the participation of financial institution in housing finance;
2. Involvement of educational and faith-based institutions in housing development;
3. Increased program production utilizing volunteer support; and
4. Heighten awareness of the positive impact of housing and revitalization efforts on neighborhood stability

Principle Six. Resource Targeting

Resource targeting presents a tremendous opportunity to comprehensively diminish the rapidly spreading blight and neighborhood deterioration that has a negative influence on numerous neighborhoods. The distribution of

decline is widespread and in many instances highly concentrated in specific sectors of the city. Focused, concentrated efforts by the City, community and neighborhood organizations, and private sector entities will be necessary to turn these areas around.

A resource targeting program approach focuses on bringing about neighborhood revitalization by targeting city resources and encouraging neighborhood partnerships between residents and the City, financial institutions, education and religious institutions, and others with direct interest in the well being of the community. Resource targeting programs should be focused, holistic, and comprehensively administered.

San Antonio currently utilizes a system of spreading its City revitalization resources among numerous projects and balanced distribution among Council Districts. The programmatic impact of investing those resources sometimes offers little by way of visual change to the neighborhood. That is not to say that the current use of funds is inappropriate. However, the current system often addresses issues individually, leaving other conditions remaining that should have been addressed at the same time in order to maximize the resources and properly influence neighborhood change.

Resource targeting should include three basic components, First, designation of a manageable geographical area as a target neighborhood. The City must establish program goals and reserve associated financial and city service resources to respond comprehensively to its revitalization needs.

Second, development of a Target Neighborhood Plan (TNP) that identifies the issues affecting revitalization and offers a prescriptive implementation program for solving those issues. The TNP should be developed in conjunction with community stakeholders and others that will actively participate in the implementation process. The City's Planning Department should lead the development of the plan, with select city departments utilized to assess existing conditions and determine an appropriate course of action needed to renew the target area. These assessments and recommended corrective actions will form the basis of an implementation plan. The Community Development Department will be primarily responsible for plan implementation, achieved through multi-departmental coordination. A five-year neighborhood action

plan and implementation schedule will be formulated for each target neighborhood area, along with a three-year funding plan utilizing city funding and services.

1

Target Area

- Designate manageable geographic areas
- Identify Stakeholders and Community Partners

2

Develop Target Neighborhood Plan

- Issues
- Prescriptive Implementation Program
- 5 Year Action Plan
- 3 Year Funding Plan

3

Community Involvement and Commitment

- Residents
- Non-profit Organizations
- Civic Groups
- Neighborhood Associations

Third, resource targeting must recognize that success in neighborhood revitalization requires a commitment from the community itself. Government cannot build stronger neighborhoods without the leadership of the community itself. The community, through its active participation in the TNP planning and implementation process, will increase community spirit, confidence, and sense of neighborhood identity. Strong neighborhood associations must be encouraged and that means mobilizing the residents themselves. The long-term success of the targeting approach is contingent upon the resident's willingness and capacity to participate, as well as, affective city coordination and resource targeting as a means of encouraging private reinvestment in the area.

VI. 2. Housing Policy Recommendations

The following represent Housing Policy Recommendations that should be adopted by City Council as guidelines for designing programs and allocations of funds. These recommendations are designed to alleviate barriers to the implementation the strategies contained in the Housing Master Plan. These policies aim to optimize the use of scarce resources, leverage CDBG/HOME funding, encourage the use of alternative housing product solutions, and provide a cumulative impact of the benefits of the programs. Maximum benefits are suggested with the intention of sparking a discussion of the appropriate level of benefit, to whom should the benefit go, and when the benefit should be available.

Formula Allocation Of Federal Funds

- Establish a percentage allocation by category, i.e. (Housing, Public Service, Administration, Economic Development, Public Facilities/Infrastructure), for major activities eligible for Community Development Block Grant Funds funding.
- Percentages will be applied to the annual allocation to determine amount of funds available for each category.
- Applications for funding by outside agencies and allocations of funding to city agencies will be limited to the percentage allocations.
- Evaluation criteria will be used to determine funding priorities for applications received from outside agencies.
- City policy will establish priorities within categories among competing activities (Housing—homeownership vs. rental programs). These priorities will be used in evaluating request by city agencies and outside agency.

Maximum CDBG/HOME Benefit

- Maximum benefit for down payment and closing cost will be \$5,000 (current maximum is \$8,000).
- Maximum benefit for principle reduction or mortgage subsidy will be \$10,000 (current maximum is \$25,000).

- Maximum benefit for development cost subsidy of new construction / home ownership products will be \$20,000 (no current policy).
- Maximum benefit for land acquisition will be \$10,000 per lot (no current policy).
- Maximum benefit for single-family rehabilitation will be \$45,000 (current maximum is \$65,000).
- Maximum benefit for single-family rental housing rehabilitation will be \$25,000 per unit (same as current policy).
- Maximum benefit for multifamily rental housing rehabilitation will be up to \$8,000 per unit based on number of bedrooms (same as current policy).

Geographical Targeting

- Selection criteria will be established to determine zone designation.
- Four (4) target areas will be selected by the city and designated as reinvestment zones for 5-year periods (Super Sweep areas could count here).
- Each target area /reinvestment zone will receive targeted allocations of federal funding such as CDBG, HOME and City Resources for three (3) years.
- Every three years, new zones will be designated.
- The City will reserve 40% of its annual allocation of CDBG and HOME program funds for eligible activities within the zones.
- High priority will be given to zones for city service delivery and funded repairs and improvements under general fund and bond program budgets that are non-site specific.

VI. 3. a. Housing Alternatives

While the old models of single-family and multifamily housing production can still be used to advantage, new alternatives that reduce costs, provide a more secure environment, redefine aspects of the older models, or take advantage of local assets are being introduced every year. Some of these alternatives hold great promise for adaptation in the San Antonio housing market, while others may never catch on. Some have already been tested in the San Antonio area. All deserve some consideration as housing providers look for ways to make limited resources address overwhelming need.

The models provided below represent a variety of single-family and multifamily housing alternatives used around the country. Acceptance in San Antonio will rely on a local proponent to give the model a chance, forward thinking by lenders, community leaders, and City staff to see how such models can work here, funding availability to assume some of the risk where new ideas are being applied, and, above all, an open mind to look at some old ideas in a new light without the coloring of failed or unacceptable experiences.

These alternatives are presented with the full understanding that what works in some communities may not work in others. Some of these ideas may work only if a local champion emerges to pioneer the concept and give it a true test in the local market. If no such champion exists, that may well provide a clear indication of local acceptance of the concept itself. Where local examples can be noted, they will be.

Cottage Housing

Cottage housing provides an attractive alternative to typical single-family for special populations such as the elderly and mentally ill. These units can be constructed at a higher density on contiguous single-family lots in existing neighborhoods or new development. The upcoming revisions to the Unified Development Code contain provisions for cottage housing. As conceptualized, cottage housing provides up to eight 425 to 850 square foot one or two-bedroom homes on four standard size single-family lots. Homes are grouped around a common area, with parking provided to one side, screened from the street. Larger communities of cottage housing can be provided by combining groups of eight units, in areas where contiguous lots are available to allow expansion of the concept.

This concept provides an attractive alternative for housing special populations in a group setting, such as the elderly or mentally ill. Take,



for instance, elderly housing as it is currently addressed in San Antonio. The elderly often reside in their own homes, which many have owned for decades, where they once raised their kids and now have much more room than they really need now. But, they are comfortable, familiar with their home and their surrounding neighborhood. Sometimes, though, their homes have not received repairs or maintenance that was needed, either through lack of funds or the inability of the elderly to do their own repair work. The City housing rehabilitation program has a long waiting list of homes that are in need of expensive rehabilitation, owned by the elderly that cannot afford the repair themselves and do not have the income to repay rehabilitation expenses provided by the City. Nonetheless, the City provides repairs to the homes and forgives the costs over a period of years. If the homeowner dies, the heirs inherit the home, but oftentimes the debt that is owed the City is forgotten or ignored or just as often, the City has not kept track. If the City encouraged the development of small communities of cottage housing for the elderly within established neighborhoods, these elderly could move from their dilapidated homes into a community of similarly situated contemporaries, where they find companionship, freedom from the obligations of homeownership, and a pleasant environment within a familiar neighborhood while maintaining independence in a single-family structure. The cottages would incorporate Universal Design features and be energy efficient. Costs could be supported through the sale of their original residence, with the funding applied to rent, or the units could be purchased from the management agency and resold later to provide the heirs with their inheritance. Homes purchased by the City could be rehabilitated and sold to households, promoting interest in older neighborhoods. Management and maintenance should be provided by a non-profit or for-profit agency whose mission is the provision of housing for the elderly.

A similar scenario could be painted for the provision of housing for the mentally ill. Group housing could be provided by agencies dedicated to the provision of housing for the mentally ill, perhaps even funded through trusts established by parents who have been caring for their mentally ill adult children and are concerned about their continued welfare in the event of the parents death. These communities would be ideal for creating a supportive environment where residents assist each other and a community manager is available to assure that residents maintain medication schedules, sees to the condition of the development, and looks after the interests of the agency. Given the extent of the need and the failure of the market to address that need, an agency looking to provide housing for the mentally ill could find this model an appealing alternative to more institutional settings.

While the concept may be suitable as a starter home for young couples, the risk of the units becoming over-crowded as the family grows, unable to

move up due to economic circumstances should dampen prospects for this use. The eventual conversion of these units from cute starter homes into dilapidated, over-crowded rental housing does not place the concept in an attractive light. Thus, this concept seems most attractive in a scenario where some agency has site control and assumes maintenance responsibilities for the entire development.

San Antonio Alternative Housing Corporation is in the planning process to develop a small group of cottages in a site it owns on Euclid. They are planning to market the units to the elderly, young professionals, young couples, and empty nesters looking for housing in an urban environment. The San Antonio Housing Authority also has cottages for elderly housing included in their master plan for Spring View. They will have 40 units in five groups of eight.

Granny Flats

Similar to the cottage concept, granny flats are small housing units that are built on the property of larger single-family homes. Typically, these units are used to house an elderly relative in such a way that they are nearby, in case they need attention, but their rooms are separate from the main house, thereby offering them a degree of privacy and a sense of independence.

Modular/Factory Built Housing

Current concepts of modular/factory built housing still include the old mobile home-type housing unit. There are plenty of those type developments in and around the city of San Antonio. Lots are leased from the landlord, homes are brought in on wheels, leveled, and attached to utilities. Streets are paved, porches are built, and landscaping is provided, in many cases. Some can be somewhat attractive communities, but most still see them as mobile home parks.



Modular/Factory Built Home
Developer: The Urban Design
Project

What is being proposed here is the use of the type of modular/factory built housing that could not be distinguished from housing that currently populates most neighborhoods, particularly in inner-city neighborhoods. These homes are built in factories using the same types of materials found in site-built homes. They are brought out to the lot in sections and assembled in a matter of hours. They are installed on permanent foundations on lots that are sold with the home. They constitute real property rather than personal property. Examples of these types of communities are available from around the country. Most conform to uniform building standards. Both infill housing and new housing developments could be addressed with these units.

Shared Housing

The shared housing concept provides a supportive environment in a mixed-aged, group home. In this situation, single mothers with children and elderly residents live in a group home and share responsibilities for the household. The concept replicates extended households that were once much more common than today where three generations lived under one roof. Grandparents looked after the kids while the parents went to work, either on the farm or in town. Cooking and housekeeping duties were shared by all generations. With shared housing, some of the relationships are copied, though the older generations are not related. Mothers can hold down jobs, secure in their feelings that their children are being cared for. Dinner is cooked and served as a group, easing the burden on the older members of the household to cook for themselves. The adults have adult companionship and kids often have other kids with which to play. The group home is managed by an agency that tends to maintenance and repair needs, assures that special needs are met, and assists with the maintenance of friendly relations among residents.

Duplexes/Triplexes/Quadraplexes



**Quadraplexes
Kings Court Housing**

Duplexes, triplexes, and quadraplexes are multiple unit (2, 3, or 4 units) structures that can be either owner-occupied or rental. While most people are familiar with the use of duplexes in limited numbers, triplexes and quadraplexes are less common. All three types could be used in small developments as special needs housing, such as for the elderly or the mentally ill. Each type could also be used in larger developments, where the individual units are available for purchase by the occupants.

Another option would have one household buy the entire structure, live in one unit, while renting the remaining unit(s) to other households. With this arrangement, the owners would be on-site to see to maintenance needs and the rents collected from the occupants of the other unit(s) could defray their own housing expenses.

Local examples of this use include the Kings Court Housing Corporation's use of quadraplexes for an elderly independent living development on Kings Court, just to the northwest of St. Mary's and Highway 281.

Townhouses

Townhouses are typically considered to be single-family attached housing units (as opposed to more conventional single unit stand-alone single-

family housing, which is termed single-family detached). The usual townhouse development consists of multiple units that are side-by-side, sometimes of the same exterior design and sometimes utilizing a variety of designs between units. They are typically two or more stories tall, with individual units arranged side-by-side rather than one above another. Developments share maintenance and landscaping costs through a neighborhood association.

While townhouses can be a supply of housing for the rental markets, development for sale provides an attractive option for lower income buyers. The arrangement reduces the need for land, thus reducing the costs of development. Households that are reluctant to assume the responsibilities for yard maintenance and those in areas with park amenities in close proximity might be interested in this arrangement.

The San Antonio Alternative Housing Corporation is currently under negotiations to purchase a townhouse development that has been used as rental property. Their plans include the rehabilitation of the housing units for sale to individual homebuyers.

Mutual Housing

The mutual housing concept got its start in Europe, though it has had some success in the large cities in the northeast United States. The concept involves individual ownership in the corporation that owns the multifamily property in which the individual resides. Basically, the residents own the apartment complex in which they reside. Alamo Area Mutual Housing Association began with this concept in mind for use in the San Antonio area. Unfortunately, the structure was not attractive for those that the Association was targeting. The cost of the buy-in for the corporation could provide the downpayment for a single-family house, which tended to be the goal of the target group. AAMHA has since adjusted their mission to include their residents on the board of their association, utilizing the board structure as an opportunity to impart leadership skills on their residents and encouraging their involvement in the life of their communities. While the concept was unsuccessful for a lower-income target group, it may still have some attractiveness for a higher income group (perhaps empty nesters), looking to move away from the maintenance responsibilities of single-family housing.

Adaptive Reuse

Adaptive reuse concerns the conversion of non-residential properties to residential purposes. To date in San Antonio, there have been a few office



**Adaptive Reuse
Calcaieu**

and warehouse conversions in the downtown or near-downtown area and the reuse of a Cadillac car dealership. In other areas of the country, the conversion of warehouse buildings for artist lofts has been particularly popular, utilizing high ceilings and large windows to provide the space and light that artists prefer for their work areas. As with townhouses, adaptive reuse development can be either for rent or for sale. Adaptive reuse can be an attractive alternative in areas where commercial structures have been largely abandoned and the community is looking for a way to bring the area out of its economic doldrums. It can be particularly attractive to potential residents looking for housing close to entertainment and employment centers.

Mixed-Use

Like adaptive reuse, mixed-use housing development can take advantage of underutilized commercial structures to provide a mix of housing and commercial service uses. Typically, the ground floor of these structures is reserved for commercial uses, where street access is easiest. All floors above the ground floor are used for residential uses. Many adaptive reuse projects include mixed-use aspects to take advantage of pedestrian traffic flow and provide commercial services to area residents.



**Mixed-Use Project
The Exchange Building**

Mixed-use development can be utilized in new projects, as well. An emerging urban design concept, walkable communities, takes advantage of mixed-use concepts to provide services and employment opportunities in close proximity to residential opportunities. Again, this typically involves ground floor commercial uses with residences on upper floors of a multi-story structure. This mixed-use, high-density residential/commercial core is often surrounded by less dense, single-family detached neighborhoods that have easy access to the commercial services provided in the core. This could be an attractive alternative to the typical suburban sprawl for some area residents.

VI. 3. b. Infrastructure Strategies

During the course of collecting data on housing and housing issues, contact was made with the Public Works Department of the City of San Antonio, the San Antonio Water System (SAWS), and City Public Service (CPS). From these three agencies, information concerning current conditions, redevelopment and repair efforts, and costs of infrastructure development was gathered. These factors each have an impact on housing development and neighborhood revitalization efforts.

A city the size of San Antonio has massive infrastructure requirements. Much of the existing infrastructure is aging and in need of repair or replacement. The Public Works Department, for instance, reports that they are responsible for over 3,700 centerline miles of street infrastructure, with a replacement value of over \$3.4 billion and a 20 to 30 year projected life. To provide the repair and replacement activities needed to maintain the streets in prime condition, a \$100 million per year reinvestment campaign is needed. Currently, \$30 million per year is reinvested in the street infrastructure.

CPS operated the electric and natural gas utility serving San Antonio. The system was purchased by the City in 1942 and is the second largest municipally owned utility in the country. The electric system serves 563,127 customers over a 1,566 square mile area. At the end of January 2000, CPS's average electric and gas bills to customers over a 12 month period were the second lowest of the 20 largest cities in the United States. They maintain 1,368 circuit miles of transmission lines and over 9,000 circuit miles of distribution lines. The CPS gas system serves 303,871 customers in Bexar County, maintaining 4,318 miles of gas mains.

SAWS provides water for a service area that has a population of over one million people. In 1995, SAWS served 454,942 equivalent dwelling units (EDUs) and expects a 42 percent increase by the year 2016. Metered water use has averaged 321 gallons per EDU per day since 1990. The system's wastewater treatment facilities served 562,452 EDUs in 1999. The current system includes 4,741 miles of sanitary sewers, 50,000 manholes, and 114 lift stations. SAWS operates three treatment facilities. Current sanitary sewer capacity is 586 million gallons per day, a capacity large enough to serve 781,400 EDUs at a rate of 750 gpd/EDU.

SAWS offers programs to assist lower-income customers with service costs and repairs to laterals and plumbing fixtures. The Meter Discount Program provides a 50 percent discount on the \$5 monthly meter fee. Project Agua collects donations from San Antonio's business community to provide assistance to low-income ratepayers. The program has a goal of raising \$1 million and is set to begin its assistance in August 2001.

Plumbers to People is a program that provides plumbing assistance to low-income residential customers. Participants can receive up to \$800 in assistance per visit. Laterals to People provides assistance to low-income customers needing to make repairs or clean-out their sewer laterals. All of these programs are run with the assistance of the City of San Antonio Community Action Division of the Department of Community Initiatives.

The Community Action Division also administers Project Warm for CPS. The program provides assistance to low-income customers needing help with utility bills during the winter. CPS also sponsors Volunteers in Public Service (VIPS). The program organizes CPS employees in community service projects. In 1999, nearly 1,300 employees, retirees, or their family members participated in the program, contributing over 16,000 community services hours.

Overall, San Antonio's utility companies provide an impressive array of assistance programs. Their work with the Department of Community Initiatives provides a good example of interagency partnerships that work to the benefit of low-income residents. These efforts, particularly those involving employee volunteer public service, would be furthered by the development of a centralized volunteer project facilitation organizations that works with corporate sponsors to schedule and organize community assistance work projects and serve as a central repository for donated construction materials. This concept is explored further in Section VI. 3. c. Community Self-Help/Institutional Strategies.

One concern of note that was brought up during the data collection process for this document relates to access to utility connections on potential infill construction sites. As the Public Works Department rebuilds streets in older neighborhoods, utility connections need to be made accessible to reduce the need to cut into the street later on, which increases development costs tremendously. Provisions in the Right-of-Way Management Ordinance require that cuts into new, high-quality streets include the removal of an entire block of asphalt, cuts through the road base, repair of base, and reapplication of asphalt. On a new, high-quality street, this process could cost a developer about \$75,000. A variance is available that allows a four foot by six foot patch rather than the block-to-block, curb-to-curb replacement. The cost of the patch would run about \$1,000, but may not be allowed in some areas where new streets have recently been laid. An asphalt recycling method can be used for asphalt replace that would cost about \$15,000 for the entire block. In new developments, code requires that utilities be laid running parallel to the streets so that such road repairs are unnecessary for making connections. The City should evaluate all older neighborhoods prior to laying new roads to determine the need for access to utilities on potential infill lots. Pre-planning could save many thousands of dollars later on.

VI. 3. c. Community and Faith-Based Self-Help Initiatives

By all accounts, the housing needs of residents of the city of San Antonio are tremendous. Assuming that there is a correlation between value and housing condition, appraisal district data indicate that more than 18,000 housing units are likely to be in poor or very poor condition (using a value of less than \$15,000 as an indicator of very poor condition and a value of \$15,000 to \$24,999 as an indicator of poor condition). Waiting lists for public housing (4,875), Section 8 rental assistance (12,262), and home rehabilitation programs (144 for owner-occupied rehabilitation and 194 for rental rehabilitation) are extremely long. It is abundantly clear that the City of San Antonio cannot address the housing needs of its citizens alone. As partners in the revitalization and affordable housing development process, non-profit community and faith-based organizations represent the real force behind the progress that has been made in inner-city neighborhoods. This section will look at community and faith-based organizations active in San Antonio and efforts that can be made to expand their capacity and support other self-help initiatives.

Several community and faith-based organizations, whose primary mission is the improvement of housing conditions, are working within the city of San Antonio. Their sizes range from one employee to a few dozen. Their capacity ranges from the provision of a few rehabilitation projects per year to building 50 or more new single-family homes each year and managing a couple of thousand multifamily housing units. Some of these organizations, their accomplishments and goals are listed below:

- Alamo Area Mutual Housing Association – Operates 556 multifamily units in four properties, three in San Antonio and one in Kirby, in a service enriched environment. AAMHA is in the process of acquiring another property with 150 units and has projects totaling another 268 units in development. All AAMHA properties are targeted at residents earning less than 80 percent of the area median income. More than one-half of the AAMHA Board of Directors is comprised of residents of their properties. Therefore, leadership training is a major component of their service agenda. Other services center on educational opportunities, with classes offered for GED preparation, English as a second language, and self-paced computer training. AAMHA is in the process of developing two others business lines; property management and resident services.
- Christmas in April – Christmas in April (being renamed “Rebuilding Together with Christmas in April”) is a volunteer program that coordinates repairs on 30 to 40 homes each year.

Christmas in April staff prepare a list of elderly homeowners, within their target area for that year, whose home is in need of repair. The program solicits volunteer teams from area businesses and trade associations. Each team then takes on the responsibility of evaluating the home's condition, developing of a work plan, arranging for the supply of materials, and supplying the labor to see the work plan through. The organization also solicits material donations from local businesses. More than 1,200 volunteers worked on houses on the workday in 2000. While the organization makes it a practice not to do foundation work, occasionally builders involved in the event will take on the responsibility themselves. Plans for the future include the formation of an emergency repair program for homes that cannot wait for the workday (which now comes in October).

- Community of Churches for Social Action – A partnership of 22 East San Antonio churches formed in 1999, CCSA's mission is to become an advocate for community revitalization. They are currently initiating a new construction program with UUHAC to build eight or nine new single-family houses. They are also working on the development of youth and social service programs, offered through their member churches.
- The Conservation Society - The Conservation Society provides grants totaling \$100,000 per year to property owners to reimburse them for repairs made on their buildings, both commercial and residential. Grants are not based on income. About 20 awards are made each year, for amounts ranging from \$500 to \$20,000. The Conservation Society sees as their mission the encouragement of neighborhood stability, support of neighborhood efforts, provision of technical information, neighborhood resource center, and advocacy for changes in the building code, the Americans with Disabilities Act, historic preservation ordinances, etc. They are participating in Project Renew, a neighborhood revitalization program, with the San Antonio Alternative Housing Corp. and the City of San Antonio.
- Habitat for Humanity – The San Antonio affiliate of Habitat for Humanity has been active in San Antonio for 25 years. Last year, they built 32 new homes. Habitat utilizes volunteer labor to build their houses. Corporations and churches sponsor teams that work on the homes. More than 8,000 volunteers worked on Habitat homes in 2000. Some building materials are also donated. Buyers are also required to put-in 300 hours of sweat equity in their homes and others that are being built. Habitat provides financing for the buyer with no interest, requiring \$1,000 down from the buyers to cover downpayment and closing costs. They also operate a used building materials store (ReStore), the revenues from which are used to provide for the administrative expenses of the organization.

- Holy Land of the Americas – Operated by the 1st Providence Baptist Church, Holy Land of the Americas buys, rehabilitates, and sells HUD homes utilizing Section 203K loans. Since 1996, this organization has sold approximately 150 homes through their program. Being certified by HUD, they receive a discount on the purchase of the home, which they pass on to their buyers. They also operate a homebuyer counseling program and has 50 qualified homebuyers ready to purchase homes. Holy Land of the Americas also owns six lots in East San Antonio, which they would like to use for new construction of single-family homes.
- Jewish Family and Children’s Service – Provides supportive services to a number of housing agencies across the city. They operate an after-school program and provide individual and family counseling for SAMM, run a refuge resettlement program, and provide a utility bill subsidy program to help poor families about to lose utility service. While they do not provide any direct housing programs, the services provided by this organization, and others like them, provide the support that many other organizations need to truly impact their clients’ lives.
- King’s Court Housing Foundation – Founded in 1990 to check commercial expansion in residential neighborhoods, King’s Court is continuing work on a 32 unit elderly, independent living complex that replaces homes that were demolished to make way for commercial development. The Foundation works in three inner-city neighborhoods; Tobin Hill, River Road, and the Monte Vista Historic District.
- Merced Housing Corp. – Merced was founded in 1995 by nine congregations of Catholic sisters as a by-product of their Public Policy Task Force. Using funding from local congregations, Catholic foundations, and the Bexar County Housing Finance Corp., Merced has acquired and operated two multifamily complexes, a 23 unit development in San Antonio and one in Somersett, Texas. The purchase of another property in Conroe, Texas was nearing closing at the time of the interview (March, 2000). A 252 units development is also underway in south San Antonio, adjacent to market rate single-family and commercial developments. They have plans to expand with a elderly housing development on the south side and the provision of job training on single-family rehabilitation projects in conjunction with local churches.
- National Association for Mental Illness – NAMI owns and manages two housing projects for the mentally ill. One project has 20 units, the other has 24 units. The projects were development utilizing HUD Section 811 funding. Both have on-site managers and supportive services provided by the Center for Health Care Services. They developed these housing projects to provide

alternatives to the board and care homes that house many of the mentally ill. They are private homes that provide room and board, taking most of the customers SSI as their fee. While some of these homes provide adequate care, many are over-crowded and provide minimal care. NAMI's projects have vans for taking their residents on errands and are located on VIA routes for accessibility to the transportation system. NAMI hopes to break ground soon on a third development to provide another 18 units.

- Neighborhoods Acting Together – Neighborhoods Acting Together is an East San Antonio-based organization concerned with promoting and rebuilding the near east side. Founded in 1994, this grassroots organization has received two Neighborhood Commercial Revitalization Grants, one for the Commerce-Easttown Corridor and a second for the Houston Street Corridor from Highway 281 to the new arena site. They have relocated six historic homes from the Carver Center area and have plans for their rehabilitation and sale. They were also instrumental in securing a Historic Designation for the Hay Street Bridge. Neighborhoods Acting Together expressed an interest in promoting the shared housing concept within their target area.
- NHS – NHS has provided 100 rehabilitated homes over the past 10 years and 250 new single-family homes over the past 7 years. They have a goal of 50 new homes each year, though they managed 30 more than that in 2000. While their average client earns less than 60 percent of the area median income, they will make loans up to 120% of the area median income. They sell their loan portfolio to their national organization, NHS of America, at par value, freeing up their own funds for further investment. NHS is a certified Community Development Financial Institution and recently received \$1 million CDFI funding. NHS would like to be able to provide more rehabilitation services, but notes that they can build 10 new homes for every rehabilitation project completed, due to the complexity of the rehabilitation process.
- Salvation Army – The Salvation Army operates homeless shelters and transitional housing programs in San Antonio. They currently operate facilities for women and children, single men, and have a 23 room transitional facility and operates a scattered-site program that houses families in apartments or homes around the city. Participants in the transitional housing programs must work or go to school. They also operate a 20 bed senior assisted living facility.
- SAMM Housing Corp. – SAMM Housing Corporation is a subsidiary of the San Antonio Metropolitan Ministry. It was chartered in 1990 to provide transitional housing to homeless families. Its goal is to assist homeless families transition from homelessness to self-sufficiency. Currently, SAMM operates a



- 125 bed emergency shelter (with an additional 20-90 temporary spaces available when extreme weather conditions increase demand for shelter), 20 units of transitional housing in a converted convent on Blanco (with 20 more units under development), and a scattered-site housing program that currently has 25 single-family homes in inventory. SAMM works with a number of social service providers to bring services to its clients. They provide after school care and tutoring, and COPS/Metro operates Project Quest, teaching life skills, parenting, and budgeting classes to adults.
- San Antonio Alternative Housing Corporation – SAAHC built 55 new single-family homes in 2000. In addition, they provide handicap ramps and other accessibility alterations to 450 homes per year. They also own 2,800 units of multifamily housing (500 of which are in Austin) and are in development on 800 more units. They provide downpayment assistance at reduced interest rates, selling their downpayment assistance loans for 70 to 80 percent par value to the San Antonio Credit Union. Their People Helping People Program provides counseling, a buy-back guarantee, and a mortgage product that operates with ratios that are higher than market ratios. SAAHC also owns scattered site rental single-family rental units. Plans for the near future include the purchase of a 94-unit townhouse complex for rehabilitation and sale of individual units to homebuyers, two HOPWA (Housing Opportunities for Persons with AIDS) projects, and the city's first cottage housing development. They also look to expand their apartment holdings, have a goal of managing all of their apartments themselves, expand their RAMP program, and develop an elderly project.
 - U.U. Housing Assistance Corp. – UUHAC got its start doing volunteer rehabilitation projects on RTC properties. It began an owner-occupied rehabilitation program utilizing CDBG funding in 1994. It added a downpayment assistance program, providing 29 grants and loans between 1994 and 2000. UUHAC also built 8 new homes between 1998 and 2000. NHS services their downpayment assistance loans. They are expanding their owner-occupied rehabilitation program through funding from the San Antonio Housing Trust and Broadway Bank.

Another source of community self-help initiatives is the City's Planning Department. The Planning Department has an ongoing neighborhood planning process that provides planning services to neighborhoods selected through a competitive process. Selected neighborhoods are taken through a needs assessment process, an evaluation of strengths, weaknesses, opportunities, and threats (SWOTs), the development of goals and objectives, and the development of an action plan. These plans provide a useful tool for the neighborhoods in their stabilization and

revitalization efforts. Once the plan is completed, the neighborhood leadership is left to work with the residents to implement the recommendations found in the plan. No implementation funding from the City accompanies the plan, but most neighborhoods have provided their own follow-up on the recommendations, attending zoning hearings and working with the City to request the infrastructure improvements identified in the plans.

Given that the need is tremendous and that the City cannot address this need alone, the big question becomes one of how the City can facilitate community self-help initiatives to address the unmet need. Toward that end, the City should support the creation or designation of a citywide non-profit agency to administer and champion a program of self-help initiatives. Responsibilities would include:

1. Administration of programs that focus on meeting unmet needs reflected in the housing authority and housing program waiting lists, code compliance cases involving elderly and indigent homeowners, and the physically handicapped;
2. Marketing and outreach to businesses, trade associations, and civic organizations for participation in these programs;
3. Screening of applicants for eligibility for assistance; and
4. Coordination of event and self-help projects.

A major responsibility of the non-profit would be the creation of a program that brings together volunteer teams from companies around the city to provide assistance to low-income and elderly households struggling to deal with housing deterioration and code compliance issues. The program should concentrate on bringing exterior conditions up to code. Working off the Christmas in April model, the program would tap into the public spirit shown by the corporate community. The program should be operated year-round, with a number of workdays identified each year for which corporate teams can sign-up. Homes where code compliance and/or emergency repair needs are identified would be matched to corporate teams. Program administrators would provide details on the repairs to be made and coordinate with a central warehouse of materials and supplies to assure that the teams are supplied with the materials and equipment necessary to complete the job. Able-bodied residents of the subject homes would be required to assist the teams. The scope of the program should be citywide and at least five workdays should be scheduled throughout the year, with Christmas in April's October workday supplying a sixth event.

Related programs should be developed to bring trade associations to the table, identifying homes in need of more technical help like HVAC, plumbing, foundation, and roofing repair and weatherization. Their

Best Practice:

The City of Phoenix, Arizona runs a plumbing repair and retrofit program called Neighbors Helping Neighbors. The program utilizes volunteer labor provided through high school vocational programs. The City of Phoenix Water Services Department provides materials, some tools, and technical support. A community based non-profit organization handles identification of homeowners, coordination of materials, and scheduling of work. In the first three years of the program, 549 homes received free repairs and/or conversion to water saving fixtures, with an estimated water usage savings of almost 24 million gallons per year.

Benchmarks:

Students provided with on the job training (target 20 per year).

Resource savings (100 gallons of water per home per day).

members would be provided projects for pro bono assistance, allowing participation beyond the simple fix-it-up/paint-it-up projects provided for relatively low-skilled participants.

The new non-profit organization would provide material and technical support for community and faith-based organizations and self-help initiatives across San Antonio through the establishment of a lending repository for tools and equipment that neighborhood organizations (and the program detailed above) can access and for clean-up and fix-up events. It should also work with local retail and corporate donors to create a centralized pool of in-kind contributions accessible to neighborhoods and organizations sponsoring fix-up events. The organization should create an application process that is simple to complete, yet assures that the materials will be used in an appropriate fashion.

The new non-profit organization should also be utilized to provide the staff for the Capacity Building Program, detailed later in this report, a local housing networking organization (also detailed later in the report), and future Housing Summits. The organization should be the lead agency in the Capacity Building Program, partnering with the City and a national intermediary organization to provide technical assistance to local CHDOs. They should be responsible for the evaluation of local CHDOs' technical assistance and capacity building needs, contract for the development of business plans (as needed), identify and contract workshop presenters, and organize group trips to review community development successes in other cities. The organization should become the central agency for housing resource development within the community and faith-based housing community, providing links to the wider housing and finance industry through the networking organization and Housing Summits.

VI. 3. d. Capacity Building Model

The provision of affordable housing by non-profit, community-based, and faith-based organizations can be greatly improved through a concerted effort to build the capacity of those organizations. The U.S. Department of Housing and Urban Development has operated a program for the past several years that provides funding to national intermediary organizations with a mandate to provide technical assistance and capacity building services to municipalities and non-profit organizations around the country. Such assistance is available to organizations in the San Antonio area, though access to the services has been reported to be somewhat difficult.

As part of the HOME Investment Partnership Program, a portion of the federal funding allocation is eligible for use in a locally established capacity building program for Community Housing Development Organizations (CHDOs). With appropriate management, this source of funds can be combined with services available through the nationally funded intermediary organizations to construct a thorough program of technical assistance and capacity building to advance the productive capacity of San Antonio's housing organizations.

Such a program should be constructed around three objectives:

1. To increase the organizational capacity of local CHDOs;
2. To resolve specific technical obstacles experienced by the CHDOs;
and
3. To provide networking opportunities for the CHDOs with lenders, for-profit developers, and each other.

Objective 1: To increase the organization capacity of local CHDOs.

While there are a few very successful CHDOs working in the San Antonio market, most CHDOs, or prospective CHDOs, are recently organized, community-based agencies attempting to bring improvements to specific areas of San Antonio. Most have had a few successes to show for their efforts, but some are still working to define their overall mission, put management guidelines in place, and identify development opportunities. For these organizations, a comprehensive system of organizational capacity building workshops could provide them with much needed information and assistance in strengthening their organization.

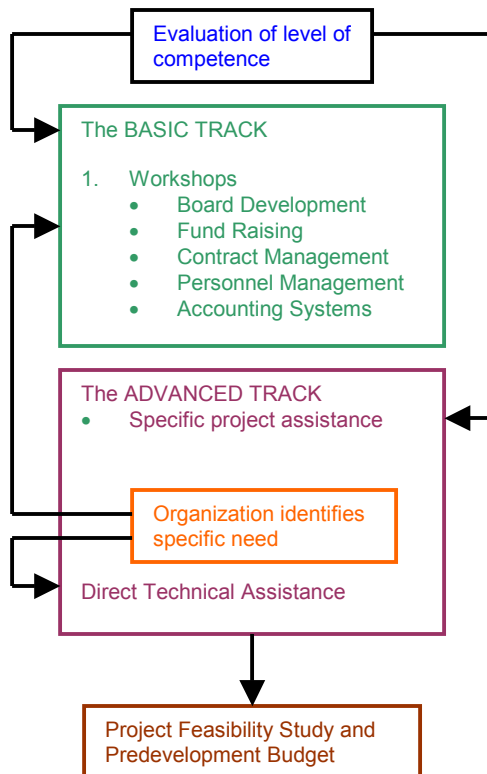
As a first step, the City should provide consulting services to evaluate or construct business plans for the certified CHDOs and each new CHDO as the certification process is completed. Each business plan should detail one-year and five-year organizational development plans, fundraising

goals, construction project opportunities, and budget projections. With each business plan, the consultant should provide an evaluation of the organizations, specifying capacity building and technical assistance needs. These evaluations will be utilized in designing the capacity building workshops in order to cover the topics most needed by the local CHDOs and assign organizations to one of two tracks. The Basic Track would address organizational development needs. The Advanced Track would provide assistance with specific technical assistance needs, detailed in Objective 2. Organizations would be expected to contract with the City to attend the workshops specified by the evaluation in exchange for continued participation in the CHDO program.

The Basic Track

A series of workshops should then be scheduled that provide training on topics needed by the CHDOs to increase their organizational capacity. Workshops could be provided by local experts in the field, representatives of the nationally funded intermediary organizations, consultants, or, where appropriate, city staff. Workshop topics might include:

Capacity Building



- Roles and responsibilities of the Board of Directors;
- Roles and responsibilities of the Executive Director;
- Fundraising techniques;
- Accounting basics and use of available software;
- Federal housing programs;
- Management of multifamily housing developments;
- Construction management;
- Financing construction projects;
- Organizational development;
- Asset management;
- Public relations;
- Working with the City of San Antonio;
- Leadership development;
- Using Low-Income Housing Tax Credits;
- Reporting and monitoring systems;
- Personnel management; and
- Innovative housing alternatives.

The workshops should be scheduled with as much notice as possible to allow the CHDOs to plan their attendance in accordance with their participation contracts. Executive Directors, board members, and/or appropriate staff members will be expected to attend depending on the focus of the specific workshop.

Objective 2: To resolve specific technical obstacles experienced by the CHDOs.

The Advanced Track

During the course of a housing development project, specific obstacles are presented that hinder or jeopardize the viability of the project. Often, the CHDO staff has the expertise to resolve the problems themselves.

Sometimes, however, the problems are beyond the technical expertise of the CHDO staff, requiring outside assistance for resolution. A service that the Capacity Building Program should provide would be to fund technical experts to assist the non-profits for project specific technical problems.

These technical problems might take in wide range of forms, including:

- Site selection;
- Infrastructure needs;
- Financial partnership development;
- Development of Low-Income Housing Tax Credit applications;
- Problems with property titles;
- Development of Tax Increment Finance District applications;
- Assistance with economic development strategy development;
- Cost estimation; and
- Project planning.

As part of the process, the technical experts should impart some of their knowledge to CHDO staff, where possible, making the staff better prepared to handle the problem if it should occur again in the future. The Capacity Building Program should develop a process for requesting assistance and provide an evaluation process for feedback on the effectiveness of the contractor supplied.

Objective 3: To provide networking opportunities for the CHDOs with lenders, for-profit developers, and each other.

On March 23, 2001, the City hosted a Housing Summit that provided a jump-start for a networking opportunity for City staff, non-profit organizations, lenders, developers, realtors, and others interested in housing issues in San Antonio. This network should be cultivated and expanded to strengthen relationships within the housing delivery system, thus making complicated projects easier to put together. This can be accomplished through the development of a four-pronged attack. First, a network for the Executive Directors of the non-profit organizations should be formalized. This network should meet monthly, providing an opportunity for the Directors to exchange information on current projects, solicit input on development problems, and become familiar with the

missions and focus of each of the other organizations. Each meeting should provide an opportunity for one of the organizations to provide a presentation on their organization, current projects, and development needs. Over the course of time, these organizations should become more familiar with each other, partner together on specific projects, and the weaker organizations can benefit from the experiences of the stronger ones.

Second, a broader organization should be established to bring together participants from the housing summit on a monthly basis to strengthen relationships begun at the Housing Summit. Through this process, developers and financiers will become more familiar with the non-profit housing industry, better understand their goals and objectives, and, hopefully, begin to develop partnerships with the non-profit organizations to bring more resources to the production of affordable housing.

Third, bring the Housing Summit back as a yearly event. Each year the Summit should focus on a new aspect of the housing market. This year the Summit looked at sustainable development. Perhaps next year could be devoted to special needs housing, housing innovations, or revitalization planning. The objective here is to give the housing industry an event that brings together all the players, providing an opportunity for them to socialize and gather information that can be shared through the partnerships that are built through learning more about each other.

Fourth, best practices found in other municipalities should be examined more closely for potential adoption in San Antonio. This should be accomplished through site visits that provide participants an opportunity to see the outstanding development projects and interact with the people who made them happen. Small group trips should be arranged to include non-profit and for-profit organizations interested in learning more about what other cities are doing. These group trips should be funded, as much as possible, through private contributions. The group, upon return to San Antonio, should prepare a presentation for the Executive Director's group and the housing network so that the information can be dispersed throughout the development community.

Management of the Capacity Building Program should be provided by a local non-profit organization interested in housing issues, rather than by City staff. A partnership between the City, the managing organization, and other funding or assistance sources (i.e., an federally funded intermediary organization or local funding source) should be formed to oversee the program.

VI. 3. e. Special Needs Housing

There are a number of special needs groups for which housing issues are a major concern. These groups include: the elderly, the disabled, the homeless, the mentally ill, battered spouses, and persons with AIDS. Specific housing needs for these groups are being addressed by a variety of organizations around San Antonio, ranging from small non-profit organizations to municipal and county agencies. Principal among the governmental agencies active with special needs populations are the City of San Antonio's Community Initiatives Department and the Center for Health Care Services, Bexar County's version of a Mental Health and Mental Retardation service agency.

The Community Initiatives Department (CID) coordinates the City's response to multiple social service needs. Their purview includes homeless services, AIDS housing (through the federal HOPWA program), elderly programs, services for battered women, and the disabled. CID prepared the City's Continuum of Care strategy, which is the central planning document for coordinating homeless services across multiple agencies within the county. The Continuum of Care provides a detailed listing of agencies and their capacity. It enumerates homeless housing and service needs and provides a strategy for fulfilling those needs. The Continuum of Care is submitted to HUD yearly through the Supportive Housing SuperNOFA, a notice of funding availability that covers the Supportive Housing Program, Shelter Plus Care, HOPWA (Housing Opportunities for Persons with AIDS), and the Emergency Shelter Grant. A reproduction of the Continuum of Care has been included in the third section of this document, Analysis of Current Conditions.

Through the Continuum of Care process and applications to HUD for the Supportive Housing SuperNOFA, the homeless service agencies in San Antonio have received more than \$5 million each of the past two years, an indication of the level of coordination exhibited by social services agencies in the city. This funding goes to the provision of homeless services, either housing, shelter, or supportive services. Agencies included in the HUD funding include: SAMM, the Salvation Army, Family Violence Prevention Service, Inc., Children's Shelter of San Antonio, American GI Forum National Veteran Outreach Program, Inc., and the Center for Health Care Services. Some of these agencies were described in the Community and Faith Based Initiatives section of this document. Activities funded through the Supportive Housing application include: counseling, child development center, transitional housing, emergency shelter operations, veterans outreach program, and life skills training.

Housing needs for the disabled are being addressed in a couple of ways in San Antonio, aside from for-profit corporation involvement in the provision of housing and services. Of particular note is the work of the San Antonio Alternative Housing Corporation through their Ramp Program. The program provides modifications to single family homes to meet American with Disabilities Act requirements for access for the disabled. The program provides ramps and other accommodations for about 450 homes per year and has a waiting list of more than 900. The program is funded through private foundations and contributions from Councilmembers through their discretionary General Fund allotments. The program employs three full-time staff and 14 Americorp volunteers.

Another important activity that will impact housing accessibility for the disabled is the adoption of a Universal Design Ordinance that would require developers to construct housing units with accessibility provisions incorporated into all units. With the aging population, the need for accessible housing will be more and more an issue. The Universal Design Ordinance will guaranty that future development will provide a ready supply of accessible housing, reducing the cost of accessibility through incorporation into development costs, rather than through adaptation after the fact. Cost estimates of incorporating universal design into new constructions show the addition of \$370 to \$670 per unit, compared to \$3,300 to \$5,300 for remodeling to meet the same accessibility provisions. The Universal Design Ordinance is an important step toward providing appropriate housing for a range of citizens.

Elderly housing needs span a wide range of issues. Of major concern is the maintenance of properties owned by the elderly. Lower-income households, where retirement income is barely sufficient to meet living expenses and physical abilities no longer permit strenuous activities, home maintenance is often overlooked. In areas where the housing stock was already old and in poor condition, extended periods without maintenance can lead to rapid deterioration, to the point of dilapidation and the need for demolition. The City has sponsored programs that work with a limited number of these elderly homeowners to restore their homes to livable conditions. The costs of such repairs are enormous, however, sometimes exceeding the value of the rehabilitated home. An alternative to this type of program, recommended in the Housing Alternatives section of this document, involves the development of cottage communities that elderly homeowners can purchase, with CDBG assistance, at a considerably lower cost to the CDBG program. Please refer to the Housing Alternatives section for more details.

Additional housing opportunities are needed to serve those elderly residents that do not own their own homes and have no prospects of being able to in the future. The San Antonio Housing Authority operates several

facilities for this group, as do several non-profit organizations. The relatively low income of this group makes access to typical multifamily housing difficult. Additional opportunities for independent living arrangements are in development, but the pending need will greatly exceed the stock of assisted units. Further housing development is needed to serve this group.

The extent of homelessness in San Antonio is reported to be of epic proportions. According to the Continuum of Care, more than 4,000 homeless, of which more than 1,080 are reported to be mentally ill, roam the streets of San Antonio or reside in one of the homeless facilities offered by social service organizations. Homeless programs are operated by a number of agencies around the city. The Salvation Army, SAMM, HAC-Casa San Martin, and other organizations operate shelters and transitional housing facilities that work toward moving the homeless back into self-sufficiency. These programs are funded through HUD homeless programs and private donations. A vast array of supportive services, ranging from soup kitchens to computer training programs are offered by these agencies and associated organizations with a mandate to help the less fortunate.

Another of the special needs populations is persons with AIDS. Little housing exists in San Antonio that provides the type of services that meet the particular needs of this population. The Alamo Area Resource Center, House of Hope, the San Antonio Metropolitan Health District, and the San Antonio AIDS Foundation all provide housing and/or supportive services for this population. The San Antonio Alternative Housing Corporation has been awarded funding through HOPWA for the development of two facilities for persons with AIDS, one of which is specifically targeted for women with children where AIDS has been diagnosed.

The mentally ill in San Antonio are a much larger group than most would suspect. It is estimated that one person in one hundred has some degree of schizophrenia, just one of a number of mental illnesses. With changes in the federal governments support of mental institutions, many seriously mentally ill individuals have wound up on the streets. Without familial assistance, many of these people are unable to cope with some of the basic requirements of our society. They are unable to fill out applications for assistance or housing, do not have supporting documentation that is sometimes required, fear the intervention of governmental agencies (reasonable or not), and often lack the mental capacity to maintain jobs. A number of housing opportunities exist for these individuals, though the number of available housing units is limited. The local affiliate of the National Association for the Mentally Ill (NAMI) owns and operates two facilities with 44 units of apartment housing for the mentally ill. Social services are provided by the Center for Health Care Services and

Best Practice:

In 1990, Harris County and the City of Houston, Texas created the Coalition for the Homeless to address homeless issues. The Coalition, in concert with the Harris County Housing and Community Development Agency, the City of Houston, and the Houston Housing Authority, developed a Supportive Housing Grant application that resulted in 33 of 35 applicants receiving a total of over \$19 million for homeless services in 1996. This amount far exceeded the "fair share" amount earmarked for the area. The Continuum of Care developed by the Coalition is the model of the type of cooperative effort among local agencies that HUD encourages through their homeless funding practices.

Benchmarks:

Percent of proposed projects funded through Supportive Housing Grant Program (target 60%).

Funding total from Supportive Housing Grant Program (target \$6 million annually).

Increase number of transitional housing units for the homeless (target 25 additional units per year).

transportation assistance is provided by NAMI. Other arrangements have been made by the San Antonio Urban Ministries that place three to five people in single-family homes. A network of social workers provide assistance to their customers and the residents own and operate their own business, cleaning offices and doing yard work. Another source of housing is board and care homes. These are private houses that provide rooms for the mentally ill, in exchange for all but a few dollars of the customer's SSI income. Room and board is provided. Some of these housing opportunities are well run and the customers are well provided for, but many are over-crowded and provide nothing more than a television to distract the residents.

Battered women have a specific need that centers on their ability to remove themselves from threatening relationships. The Continuum of Care estimates that over 1,300 women, over 500 with children, are victims of domestic violence. To date, only 128 housing units are available to care for their needs and provide them with a non-threatening environment. The Continuum of Care lists addressing the needs of this population as a high priority, with the Family Violence Prevention Service, Inc. having received significant funding from the 2000 Supportive Housing Grant SuperNOFA awards.

A specific problem that service organization working with these special needs groups experience deals with neighborhood acceptance of housing dedicated to serving their needs. NIMBY (not in my back yard) attitudes often obstruct the development of group housing and shelter facilities needed to serve special needs populations. SAMM is in the process of converting a convent on Blanco into a transitional housing facility. At its inception, significant objections from the surrounding neighborhood almost prevented its development. The City of San Antonio should work with neighborhoods where this type of housing is being considered for development to alleviate NIMBY attitudes and prevent the potential for violations to federal Fair Housing Laws that might result from the elimination of special needs housing projects. This function might be appropriate for the non-profit organization suggested to head the capacity building program detailed in the previous section of this document.

With federal funding for special needs populations being limited, the City of San Antonio should work with service providers to assist in the establishment of relationships between the organizations and alternative funding sources. The capacity building program and related networking opportunities recommended in this document may work toward filling that objective. Also, continued cooperation on the Continuum of Care and assistance with funding proposals should be in the forefront of the City's effort to assist special needs populations.

VI. 3. f. Military Housing

There are currently four active military bases in San Antonio and Bexar County. These are Brooks Air Force Base, Ft. Sam Houston Army Installation, Lackland Air Force Base and Randolph Air Force Base. The fifth is Kelly Air Force Base, which will be officially de-commissioned on July 13, 2001.

It is evident that the levels of on-base housing have remained static, and in some cases, have decreased significantly. A national trend is occurring whereby military housing is being *privatized*. Through privatization, the Air Force believes more airmen can be housed more quickly than through the standard military construction process. In the Air Force, the average age of housing inventory is 36 years and 65,000 of the 106,000 units require revitalization.

The Department of Defense (DoD) spends about \$750 million annually to replace/renovate on-base housing, and about \$2.8 billion annually to operate and maintain on-base housing. Annual family housing allowances total about \$5.2 billion.

One important aspect of Secretary Cohen's housing initiative is to maintain a consistent level of family housing funding to improve housing the Department will retain on-base. The Department believes that eliminating Service members' out-of-pocket expense should decrease the demand for on-base housing. A decreased demand for on-base housing translates into a smaller inventory requiring improvement.

Housing referral is an important tool for providing adequate and affordable private sector housing. However, it alone is not sufficient to meet the Department's entire housing needs. There will always be a need for some on-base housing.

The new Basic Allowance for Housing system determines allowances based on the rental rates that the military and civilian populations pay within a specific locality. Members are provided an amount determined by this system to be appropriate to rent suitable housing on the private economy. Members can elect to spend more out of their pockets or less and pocket the additional funds. Competitive pressure, therefore, acts to prevent landlords from raising their rents simply based on an allowance increase because this would create an incentive for the members to seek other housing.

Congress gave DOD the privatization authority so the department could leverage private sector capital to help fix military housing. DOD estimates

it would need 30 years under the old military construction system to deal with the 205,000 substandard housing units it has today. Under the privatization program, officials believe they can work off the backlog in 10 years.

Through fiscal 2001, DOD expects to privatize 31,500 units. In fiscal 1993, DOD privatized more than 1000 units. In fiscal 1999, 2,700 units were privatized. This fiscal year, DOD plans to privatize 21,600 units.

All services are currently preparing family housing master plans to define how they want to take care of their inventory of bad housing over the next six years.

The 1999 Annual Defense Report to the President and the Congress states that two-thirds of DOD's 297,000 existing housing units are in need of extensive repair. Using traditional military construction practices and funding, it would take 30 years and \$20 billion to solve the housing problem. The Department established three clear goals for improving the quality of military housing:

- Eliminate permanent party gang latrine barracks by FY 2008
- Continue to implement the "1+1" barracks construction standard
- Eliminate inadequate family housing by FY 2010

The first 2 goals will be met or exceeded by the Services. The third goal, family housing, is more problematic. The HAC MilCon Subcommittee has included a provision in its committee report that would require the Services to submit Family Housing Master Plans that achieve the 2010 goal. These plans will provide important links between the condition and funding profiles needed to improve family housing and quality of life.

The Military Housing Privatization Initiative law expires Feb 2001 and the DoD is currently working to extend the authorities.

Privatization status as of July 26, 1999:

- 3 projects (1,009 housing units) awarded for privatization since 1996 (Corpus Christi, Everett, & Lackland AFB)
- 2 projects (2,777 housing units) to be awarded August 1999. (Ft. Carson, MCLB Albany)
- 6 projects (3,472 housing units) currently in solicitation. (Robins AFB, Elmendorf AFB, Camp Pendleton, Everett II, Kingsville II, South Texas)

- 28 projects (33,251 housing units cumulative) have been reported to Congress and will be awarded or under solicitation by FY 2000. (shortly we will have Ft. Hood, Dyess AFB, San Diego, New Orleans & Chicopee/Stewart in solicitation)

Sustaining the rate of privatization post Feb 2001 is very unclear.

Military Family Housing: On-base housing is often dilapidated and lacks modern facilities, with almost 60 percent regarded as substandard. On-base housing has an average age of 33 years with one-quarter of this housing over 40 years old.

Unaccompanied Housing Quarters: Single junior-enlisted servicemen and women are required to live in barracks where they share a room with at least one other person and with a communal bathroom and a public telephone. About ½ million servicemen and women live in these quarters. A 1992 study revealed that most would prefer to live outside the barracks regardless of cost in order to have larger rooms, privacy, a private bath and storage for personal items.

Currently, the DoD houses about one-third of its families “on base” by owning and operating about 300,000 housing units worldwide. Military housing is typically provided where there is a deficit of private sector housing, based on cost, commuting area and other established criteria.

More and more military base information is being disseminated via the worldwide web. As new personnel are transferred into other cities, websites contain all the information one may need to assist in their relocation, particularly in the area of housing. Some websites are as extensive as having links to realtors, developers and homebuilders in a variety of price ranges. Others contain computer listings of available rentals and sales.

Basically, the burden of providing housing to military personnel is shifting from base housing offices to the military personnel themselves. The base housing offices will provide the tools of searching for housing to their personnel but do not necessarily do it for them.

Military personnel are granted a housing allowance, which was revised in 1997 and made effective January 1, 1998 as part of the 1998 National Defense Authorization Act, to keep up with rising housing costs. Congress intended that 15 percent of housing costs come from out of pocket (not covered by a housing allowance), while current out of pocket costs increased to 20 percent. Changes to a Base Allowance for Housing (BAH) are tied to housing costs growth. The intent of the revised new allowance was to provide uniformed service members with housing compensation

based on comparable civilian housing allowances that will increase in expensive housing locations around the nation and decrease in medium- to low-cost housing areas. BAH takes into consideration rank, dependency status (with or without dependents) and location.

As it is a trend across the country, this is in fact the case with all four of the military installations in San Antonio and Bexar County.

Brooks AFB

www.brooks.af.mil is the resource for Brooks personnel. It includes a “Welcome Letter” on the BAFB housing home page for all new personnel from the Department of the Air Force 311th Civil Engineer, which is a guide to help obtain living accommodations off base and offers other useful information concerning our waiting time for base housing, the city and the surrounding areas. The website provides a map which depicts areas that are within a one hour commute from Brooks AFB.

Brooks AFB has a housing management Flight maintains an up to date computer listing of available rentals and sales. The mission of the Housing Flight is to provide all permanent party excellent government housing, assist with locating exceptional off base housing and manage a quality housing program.

Brooks AFB also has transient quarters, but these are very limited.

The 1999 San Antonio Basic Housing Allowance for Housing (BAH) is shown below:

BAH Witho ut Dependents									
E-1	E-2	E-3	E-4	E-5	E-6	E-7	E-8	E-9	
\$379	\$379	\$384	\$395	\$458	\$494	\$553	\$618	\$644	
O1E	OE2	OE3	O-1	O-2	O-3	O-4	O-5	O-6	O-7
\$475	\$613	\$688	\$475	\$557	\$706	\$804	\$830	\$860	\$883
BAH With Dependents									
E-1	E-2	E-3	E-4	E-5	E-6	E-7	E-8	E-9	
\$513	\$508	\$522	\$560	\$628	\$686	\$758	\$791	\$826	
O1E	OE2	OE3	O-1	O-2	O-3	O-4	O-5	O-6	O-7
\$613	\$749	\$803	\$613	\$685	\$825	\$924	\$1009	\$1017	\$1029

Ft. Sam Houston

Ft. Sam Houston Ft. Sam Houston has the Army Housing Division, with Installation Managers. The average waiting period for on-post housing is as follows:

	E1-E6	E7-E8	E9	W1 – O3	O4 – O6
2 BEDROOMS	6 -10	N/A	N/A	20 - 26	N/A
3 BEDROOMS	12 – 18	6 – 9	12 –18	12 – 14	18 – 22
4 BEDROOMS	9 – 12	6 – 9	6 – 9	9 - 12	18 – 22
5 BEDROOMS	N/A	N/A	N/A	N/A	16 – 18

Lackland AFB

Landmark Organization Inc., an Austin design-build firm, is the 2000 recipient of the National Council for Public-Private Partnership (NCPPT) Award for their design-build of the Lackland Air Force Privatized Housing Project - Frank E. Tejeda Estates. The Frank Tejeda Estates was completed in February 2001 and contains more than 420 single-family homes and townhouses for enlisted personnel (E-3 through E-7) and their families. Lackland AFB entered into an agreement with a private sector developer in August 1998 for a \$42.6 million project to be built, owned, operated and maintained by Landmark Organization.

Landmark is the recognized innovator in the development of military housing projects offered to private developers by the Department of Defense and the branches of the Armed Services. The federal government has been touted for their initiatives to privatize and the need to make safe, high quality and affordable military housing available to military personnel. It was the first company in the United States to successfully joint venture with a branch of the U.S. military. Landmark is also building housing projects and guest houses/hotels for military personnel all across the country. Their multi-family housing projects include sensitive site planning and high quality urban design, with a broad range of site amenities, landscaped open spaces and recreational areas.

The Department of the Navy has also selected Austin-based Landmark Organization for the design build and privatization of military housing at the Naval Air Station in Corpus Christi. The public-private venture includes the privatization and renovation of 465 existing military housing units, construction of 43 new units and the demolition of 72 existing units in the military housing areas. The privatization initiative has allowed the Air Force to leverage minimal Air Force dollars with private sector funds and expertise to answer their housing needs.

The National Defense Authorization Act of 1996 allows the Department of Defense to work with private-sector companies nationwide to provide housing for military families in high-need areas. The estimated construction cost is \$57 million, including \$26.5 million for renovation of the existing units. Construction is expected to begin in the summer of 2001, and completed by the spring of 2003.

At Lackland AFB, there were 720 housing units that were constructed in the 1950's, all of which are beyond economical repair and need to be replaced. Replacement of this housing was long overdue.

There are two site locations for the Lackland AFB Military Housing. The first site, called "the Capehart Expansion" is approximately 66 acres; the second site called the "South Wherry Replacement" is approximately 30 acres. Demolition of approximately 272 existing housing units is required on the South Wherry site. There are 8 different unit plans that will make up the 196 single-family homes and 224 multi-family homes.

Frank Tejada Estates "West" located on the Median Annex, will have a total of 321 units fully occupied by June 2001, and Frank Tejada Estates "East" located on main base Lackland, will have 99 additional units.

Three different elevations have been designed with various combinations of materials. The unit sizes ranges from 1,000 square feet to 1400 square feet, with two and three bedroom units available with attached garages. Amenities include: 3,000 square foot leasing office with community space, a full size swimming pool, a basketball court, tennis court, covered pavilion, five playgrounds and a one mile exercise trail. Maximum greenbelt spaces will be provided on both sites as a result of lower unit densities.

Lackland AFB also has a Rental Set Aside Program that over 30 apartment communities participate in. With this program, tenants do not pay security deposits or credit application fees. It operates on the premise of saving the landlord money so that they can reduce the monthly rent to an amount equal to the BAH.

Randolph AFB

Randolph AFB has both base housing and off-base housing services. The average wait time for base housing is as follows:

Senior Officers	3 – 6 months
Field Grade Officers	12 -18 months
Company Grade Officers	6 – 8 months (4 bedrooms)

Company Grade Officers	12 – 18 months (3 bedrooms)
Chiefs	4 – 8 months (4 bedroom)
Senior NCO's	3 – 6 months (4 bedrooms)
Senior NCO's	12 – 18 months (3 bedrooms)
Junior NCO (East Wherry)	0 – 1 month (2 bedroom)
Junior NCO	0 – 12 months (3 bedroom)
Junior NCO (West Wherry)	2 – 4 months (2 bedroom)
Junior NCO	12 – 16 months (3 bedroom)
Junior NCO	14 – 18 months (4 bedroom)
Dormitory Space	(Is available for single junior enlisted personnel)

It is evident that the average waiting period is approximately six months, with it as much as 18 months, depending on the number of bedrooms needed. There are no plans to construct additional housing units.

Off-base housing services provided by Randolph AFB include housing referral packages by request, internet listings of sales, rentals and apartments, briefings of leases and Texas security deposit laws, condition checklists for off-base housing, Homeowner's Assistance Program and VA loan information.

Kelly AFB

As Kelly AFB is de-commissioned in July, 2001, the 32 bungalows formerly used to house officers will be converted to non-residential uses, such as a conference and retreat center.

* Narrative and statistics provided above were taken from the Housing Market Analysis associated with this Housing Master Plan, under contract with SA Research Corporation.

Strategy to Address Military Housing

Given the level of commitment of the military to address its housing issues and the level of assistance provided through the BAH, it would appear that the military is providing an adequate remedy for military housing needs in San Antonio. An additional benefit that could prove useful in assisting military personnel with efforts to become homeowners would be the implementation of an employer-assisted housing program. Details of this application are provided in the Program Design Models section of this document.

VI. 3. g. Downtown Housing Strategy

Downtown housing has become a symbol of the reemergence of central cities across the country. Projects in Portland, Oregon; Milwaukee, Wisconsin; Seattle, Washington; San Diego, California; Phoenix, Arizona; and Dallas, Texas have demonstrated that demand for an urban lifestyle exists and that the market can be encouraged to provide housing units for those that wish to live near centers of employment and entertainment in the central business district. Some successes nationwide include:

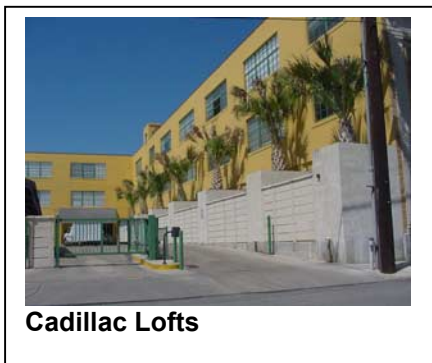
- Portland, Oregon – More than 17,000 housing units were reported in downtown Portland in 1999. City figures indicate that about 75 percent of the residents worked in the downtown area. As of March 2001, almost 2,000 housing units were under construction; 1,413 rental units and 568 units for homeownership. At the same time, more than 600,000 square feet of Class A office space, 305,000 square feet of new retail space, over 1,400 hotel rooms, and 1,050 parking spaces were under development.
- Milwaukee, Wisconsin – Milwaukee's Downtown Plan sets a goal of 13,000 new housing units downtown within 24 years, with a projected absorption rate of 500 units per year. In 1998, over 1,000 units were under development, looking to take advantage of the new Milwaukee Art Museum and riverwalk improvements as a downtown draw.
- Seattle, Washington – The Seattle Comprehensive Plan calls for 14,700 new households residing downtown by 2014, more than twice the number of residents in downtown in 1999. About 7,500 units were located downtown in 1999 and 2,000 more were in the pipeline. A large number of the housing units downtown were subsidized for low-income residents.
- San Diego, California – With more than 20,000 downtown residents in 2000, more than 2,500 additional units were under development. A 57 unit condominium complex was 75 percent sold-out within the first three months of sales. Vacancy rates for the downtown rental market have been near zero for two years.
- Phoenix, Arizona – In 1999 six housing projects were under construction in downtown Phoenix, totaling 2,200 units. Two of the projects were office conversions. One of the office conversions, the Roosevelt Apartments, utilized historic tax credits and is reserved entirely for the affordable housing market. The other five developments were slated to provide market rate housing.
- Dallas, Texas – In 1992 there were barely a handful of residential projects in the downtown or near downtown area. In 1993, the City of Dallas submitted an application to the U.S. Department of



**Adams Hat Lofts
Dallas, Texas**

Housing and Urban Development for a \$25 million Section 108 Loan Guarantee to provide gap financing for its new Intown Housing Program. The incentive program resulted in 1,267 new housing units, of which 618 were dedicated to low-income residents. The eight projects leveraged \$79 million in private financing, \$3.9 million in tax incentives, and \$430,820 in other incentives. The Intown Housing Program sparked the development of many other housing projects in the downtown area, resulting in more than 14,000 housing units now in the downtown or near downtown area.

While a handful of successes can be provided for illustration in the discussion of downtown housing in San Antonio, a distinction seems to exist that makes prospects for future expansion of housing in downtown San Antonio problematic. The prevalence of conventions and tourism as a major economic force in the downtown market appears to have driven land prices up to the point that housing projects have been priced out of the market. The demand for land in the central business district for the development of hotels and parking facilities has driven up the price expectations of landowners and developers report that land prices are beyond what they are willing to pay for housing development, with asking prices reported to be between \$60 and \$100 per square foot. Occasionally a developer will produce a housing project through adaptive reuse of commercial or office properties, but it seems that the supply of suitable buildings has dwindled with the introduction of a major new employer in the downtown area, taking much of the available vacant space in existing structures. Current downtown housing projects include:



- Cadillac Lofts – 153 market rate units with rents starting at \$550 and going to \$1,650. Renters are mostly young professionals and empty nesters. Used conventional financing, combined with tax abatement.
- The Maverick – 91 units of which 14 are designated affordable. Rents range from \$339 to \$808. Financing included federal historic tax credits, historic preservation tax abatement, CDBG funding, and private loans. Renters are a mix of service workers, young professionals, and retirees.
- The Exchange Building – 41 efficiency and 1 bedroom units with rents from \$410 to \$675. Mixed-income residents, include service industry employees and retirees. Financed with loans from Fannie Mae and the San Antonio Housing Trust and historic tax credits. Has street level retail uses. Development costs were approximately \$90 per square foot.
- The Calcacieu – 63 efficiency and 1 bedroom units with rents from \$344 to \$369. Financing included Low-Income Housing Tax Credits, historic tax credits, CDBG funding, developer equity, and

a San Antonio Housing Trust loan. Renters earn less than 60 percent of the area median income and are mostly single, childless, service industry employees.

- Robert E. Lee – 72 units elderly housing. Residents must be over 55 years old and earn less than 60 percent of the area median income. Funding included Low-Income Housing Tax Credits, CDBG funding, and developer equity. Total development costs were \$5.5 million.
- Blue Star – 50 one bedroom studios with rents starting at \$700. Financing included \$1 million in rental rehabilitation loan from HUD. Renters include young professionals, artists, and transplants from the east and west coasts.
- Casa LaVaca – 11 efficiency, one, and two bedroom units with rents from \$350 to \$530. Renters are service industry employees or elderly low-income. Funding included CDBG Rental Rehab funds, loans from the San Antonio Housing Trust and NationsBank, and developer equity.

Despite these problems, there are still options open to the City of San Antonio in their efforts to encourage development for downtown housing. The first involves the expansion of the physical environment, as was done for the Downtown Strategic Plan, for the consideration of downtown housing. While the “true downtown” may be considered to be within the area bounded by Highway 281, Durango, and Highway 35, there is considerable open land and adaptable buildings within a one-mile radius of that loop, opening potential development opportunities in an area well served by the public transportation system, close to public amenities and events, and within a convenient distance to employment centers in the central business district.

Second, there is a clear public purpose in the development of downtown housing. As the city of San Antonio has grown, new development, aside from tourism related downtown development, has primarily been at the outer edges of the city, most recently to the north. The market has lost sight of near downtown neighborhoods as potential sites for new development. With a large labor force working in downtown, housing in close proximity to the city’s largest employment center should be encouraged. Working with developers to stimulate the downtown housing market will enable the City to place requirements on developers to include a mix of affordable housing with market rate units. Also, a larger housing base downtown can help bring balance to the downtown retail market, which is currently driven primarily by, and dependent on, tourism and convention activities.

The City, therefore, should develop a funding source to provide gap financing as an incentive for developers looking to provide downtown

Best Practice:

The Intown Housing Program developed by the City of Dallas utilized \$25 million in CDBG Section 108 Loan Guarantees to stimulate housing development in the downtown and near downtown areas. The program funded five projects with 1,267 new housing units, leveraging more than \$80 million in private financing and other incentives. The market responded to the development efforts with almost 13,000 more housing units completed or in development.

Benchmarks:

Private/public financing ratio (target 4/1).

Percentage of units for low-income households (target 30%).

Response of market to redevelopment effort (target 10 units unsubsidized to 1 unit subsidized).

housing. Projects would be solicited through a request for proposals. Developers would be asked to provide development concepts that would deliver housing units within the one-mile loop around downtown. Each proposal must include design concepts that would enhance the downtown environment. Evaluation criteria could include bonus points for projected sited within particular areas of concern. Parking and open space plans should also be included. Developers should show financial commitments for the project, including their request for public funding. Funding should be provided on a “but for” basis, where the project would not have been attempted **but for** the City’s participation. Loans should be based on the interest rate of the HUD guarantee, repayable within 24 months. The City will take a subordinate lien position. A potential source of funding for this program is the Section 108 Loan Guarantee Program, which utilizes future CDBG funding allocations as partial collateral for bond issuances. The City can repay the loan guarantee from programs income as developers repay their loans. A \$25 million loan guarantee should provide ample funding to prime the pump, demonstrating a substantial City commitment to the development of downtown housing. With the use of Section 108 funding, the City must require an affordable housing component to each housing project, setting-aside a percentage of affordable housing that corresponds to the percentage of public participation to the entire development cost.

Third, the City should implement a formal program laying out a set of incentives offered to downtown housing developers to encourage further housing development. The Incentive Toolkit will include tax abatement, fee rebates, infrastructure improvements, an accelerated permitting process, or the development of Tax Increment Finance Districts to defray development costs. Incentives could be offered to those not participating in the Section 108 funding program. The incentive package should be made available to all qualified developers for a period of 10 years, at which point the program will be reviewed and reinstated if necessary. Participation in the incentive program should not be contingent upon an affordable housing set-aside.

Fourth, the City should develop an attitude of partnership with developers that foster a desire of all parties to work towards common goals. Developers should look to City staff as development experts, specializing in specific aspects of San Antonio’s development code. Problems identified in the development process should be met by building inspectors with an attitude of cooperative problem solving. The City of San Antonio could work towards the cultivation of this attitude with the creation of an ombudsman position within the new one-stop shop inspection and permitting office. It would be the ombudsman’s responsibility to work with developers to solve problems encountered in the development process that relate to inspection and permitting issues.

Fifth, the City should promote near downtown neighborhoods to retail service outlets, such as grocery stores, dry cleaners, etc., for future expansion opportunities through an expansion of incentives to businesses. Inner-city facilities, such as the new Albertson's at St. Mary's and Highway 281, provided much needed services to inner-city residents and provide marketing strength to developers pushing new downtown housing.

Cities across the country have seen the advantages of stimulating housing development in their central business district and close-in neighborhoods. While the special problems facing San Antonio complicate the process, it is clearly not insurmountable. There are successes in San Antonio already that developers can emulate. A change in attitude can take the City a long way. The City must project an image that it is leading the way to make expansion of downtown housing opportunities a reality. While that may require taking some risk, the payoff can be tremendous.

VI. 3. h. Market Rate Housing

Overall, market rate housing needs little assistance from governmental agencies for their continued progress. For many developers, the less interaction with government, the better. There are things that the City of San Antonio could do to improve interactions with private developers or to encourage the types of development where the City sees increasing needs or advantageous potential results. Recommendations for downtown housing development and the Development Ombudsman are examples of provisions recommended in earlier section of this document that encourage closer dealings with the development community.

The focus of the Housing Summit held in March was sustainable development. The concept addresses the need to make development more compatible to the natural environment, allowing developers to meet current needs, without infringing on the ability of future generations to meet their own needs. Characteristics that form the basis of sustainable communities include (from the City of Austin's Sustainable Communities Initiative):

- Long-rang outlook,
- Equity,
- Stewardship of the natural environment and living within its carrying capacity,
- Economic, human, and biological diversity,
- Community self-reliance, and
- Recognition of social, environmental, and economic interdependence.

Sustainable development is accomplished through a number of factors that relate to the design and development process. Design factors deal with project planning, the lay of the building to take advantage of any natural heating or cooling opportunities that may exist, rainwater collection systems to reduce reliance on city water supplies for landscape irrigation, and incorporating the use of recycled materials that reduce the drain on natural resources. Development factors include reducing landfill requirements through the recycling of construction debris and the adaptive reuse of existing structures to utilizing previously developed infrastructure that has been dropped from service.

The City of San Antonio should encourage the use of sustainable development principles in market rate housing projects. City staff should evaluate the Sustainable Communities Initiative operated by the City of Austin for adaptation to fit the market in San Antonio. Sustainable principles should be particularly important in areas bordering the Edwards Aquifer Recharge Zone. It should be noted that there is a Green Building

component to the single family Parade of Homes development in the Spring View housing development being developed by the San Antonio Housing Authority.

The concept of mixed-use housing was mentioned in the Housing Alternatives section of this document. Examples of mixed-use housing developments were included in the discussion of downtown housing in San Antonio. Market rate housing developers should be encouraged to provide mixed-use developments inside Loop 410, including the downtown and near downtown areas. Mixed-use developments would bring new life to older communities where vacant land lies unused, where public transportation and the proximity to employment centers support higher density, and where additional community retail services are needed. The economic stimulation realized through the revitalization of inner-city neighborhoods benefits not only the residents of the new development projects, but also the community as a whole, who have access to new services brought in to the community to service an expanding population base.

Tying together the concepts of sustainable communities and mixed-use development is a related concept, walkable communities. Walkable communities expand the mixed-use model to include surrounding single-family neighborhoods and employment centers to serve the residents of the community. The mixed-use structures form the core of the community, centered on transit lines to facilitate commutes to other employment centers and retail services, surrounded by single-family uses, within an easy walk to the retail and transportation services. Larger employers can be located in the core or on the fringes of the community, still within walking distance of most residents. The availability of transit facilities would make the community less reliant on individual automotive assets, reducing costs and qualifying residents for a recent innovation in home financing, Location Efficient Mortgages. These mortgage instruments allow homebuyers to qualify for higher home mortgages based on the reduced expenses realized through access to public transportation. Like Energy Efficient Mortgages, lenders realize that reducing the need for one service, in this case that of relying on one's own car for all transportation needs, enables the household to afford a higher priced home.

The City of San Antonio should work with the San Antonio Development Agency to transform the agency into a Land Assembly Authority. SADA's powers of eminent domain provide them with additional leverage in acquiring property where a public purpose is evident. SADA should use those powers to assist in the acquisition of property when private developers propose development projects that would have a significant positive impact on the community. SADA should also be supported in the

development of an electronic database of properties owned by local governmental and non-profit agencies to simplify the process of identifying developable properties. Such a database should include property owned by the City of San Antonio, SAHA, SADA, the San Antonio Housing Trust, Bexar County, the various school districts, and non-profit housing providers. A comprehensive view of property holdings by the various organizations could help in the identification of potential development sites and facilitate the land assembly process.

VI. 4. Program Design Models

To assist the City of San Antonio in the implementation of some of the recommendations provided in the Strategies section of this document, four program design models will be provided here. The models will include suggested program designs for Cottage Housing, Modular/factory built Housing, Employer Assisted Housing, and Shared Housing.

VI. 4. a. Cottage Housing

Cottage housing has been recommended as an alternative to major rehabilitation projects when an elderly applicant is living in unsafe conditions, the rehabilitation costs exceed the projected value of the completed structure, and/or the applicant is down towards the end of a long rehabilitation program waiting list. Given the problems that the rehabilitation program has experienced with respect to high rehabilitation costs, long waiting lists, lack of follow-up on completed projects, and the continued over-housing of elderly homeowners in the rehabilitated homes, a new approach to meeting the housing needs of elderly homeowners is in order.

The program objectives would be to:

- Construct cottage communities of 8 to 32 housing units,
- Identify eligible participants, purchase their home in need of rehabilitation for market value,
- Buy the home and sell a cottage to the participant for the proceeds of the sale of their home,
- Add CDBG contribution to cover the difference between the buyer's equity and the market value of the cottage,
- Move the new owner into the cottage, and
- Provide maintenance of the cottage community, partially funded through neighborhood association dues and the non-profit organization's maintenance fund.

Construct Cottage Communities

As a pilot program, the City should work with a willing non-profit organization interested in managing the cottage community to locate a suitable construction site for the project. SADA's role as a land assembly authority could be helpful in this process. The initial project should incorporate 8 to 16 units, utilizing 4 to 8 standard city lots. Parking should be screened from the residential streets and be convenient to residents.

Cottages should be designed to contain 450 to 600 square feet, have front porches, appealing exterior design features, one bedroom, bathroom, and kitchen. The site should be laid-out to provide opportunities for community gardens and green space. The entire site should be enclosed with wrought iron fencing. Cottages should be grouped in eights, facing a common green space. Cottages should incorporate Universal Design features and be energy efficient. Construction financing should be provided through CDBG or HOME funding, with additional participation solicited from financial institutions that express an interest in leading the way toward funding progressive housing projects. A developer's fee should be built into the cost of project development. Principal reduction grant funding should be requested from the Federal Home Loan Bank through a member bank from the Affordable Housing Grant Program.

Identify Eligible Participants

Given the length of the waiting list for the rehabilitation program, a pool of eligible applicants should be readily available. Starting from the top of the waiting list, applicants should be identified who are:

- Elderly, in need of an independent living arrangement,
- Low-income,
- Living in a home that is in need of rehabilitation,
- Willing to live in a smaller housing unit,
- Willing to live in the neighborhood that has been selected for the pilot project, and
- Willing to sell their current home to the agency in exchange for equity in a cottage unit, with assistance to cover the remaining value of the cottage.

Applicants approved for the project will be removed from the waiting list for the rehabilitation program and provided a cottage in the new development.

Buy the Home and Sell a Cottage to the Participant

Once participants have been identified, their home will be purchased at market value. Given that each participant is on the waiting list for rehabilitation assistance, it is likely that the value of the homes will rest mainly in the value of the land upon which the home sits. An independent appraisal of the home will provide the purchase price, expected to be in the \$15,000 to \$25,000 range. Upon closing, the participant will transfer the funds from sell to the purchase of the cottage, with CDBG funding from construction remaining in the unit to make-up the difference between

the sales price of the cottage and the equity that the buyer provides. Proceeds from the buyer's equity will be used to plan for future cottage communities (50%) and to provide a management fee and a maintenance fund for the care of the community (50%). When the owner no longer needs the cottage, either through transfer to an assisted-living facility or by the death of the owner, the cottage will be sold, at market value, to another eligible applicant, with the owner or their heirs receiving the equity paid at purchase, plus a portion of the appreciation in the value of the home equal to the percentage of their equity to the non-profit's grant equity. The CDBG contribution will remain with the cottage to assist the next buyer as needed. Owners will be responsible for their property taxes, utility bills, and a small monthly contribution to the neighborhood association to cover maintenance costs of the project. Able-bodied residents of the project may trade labor for association dues where the opportunity exists. The homes purchased by the City should be remodeled, possible through HARP, and resold to homebuyers looking for housing in older neighborhoods. This will preserve older housing stock and stimulate interest in these areas.

Move the New Owner into the Cottage

As with the rehabilitation program, relocation of the owner will be necessary. The pilot program should provide funding to cover reasonable moving expenses. Where relatives of the buyer can assist with moving activities, the allocation for moving expenses can be credited to the buyers neighborhood association account to cover maintenance expenses of the project.

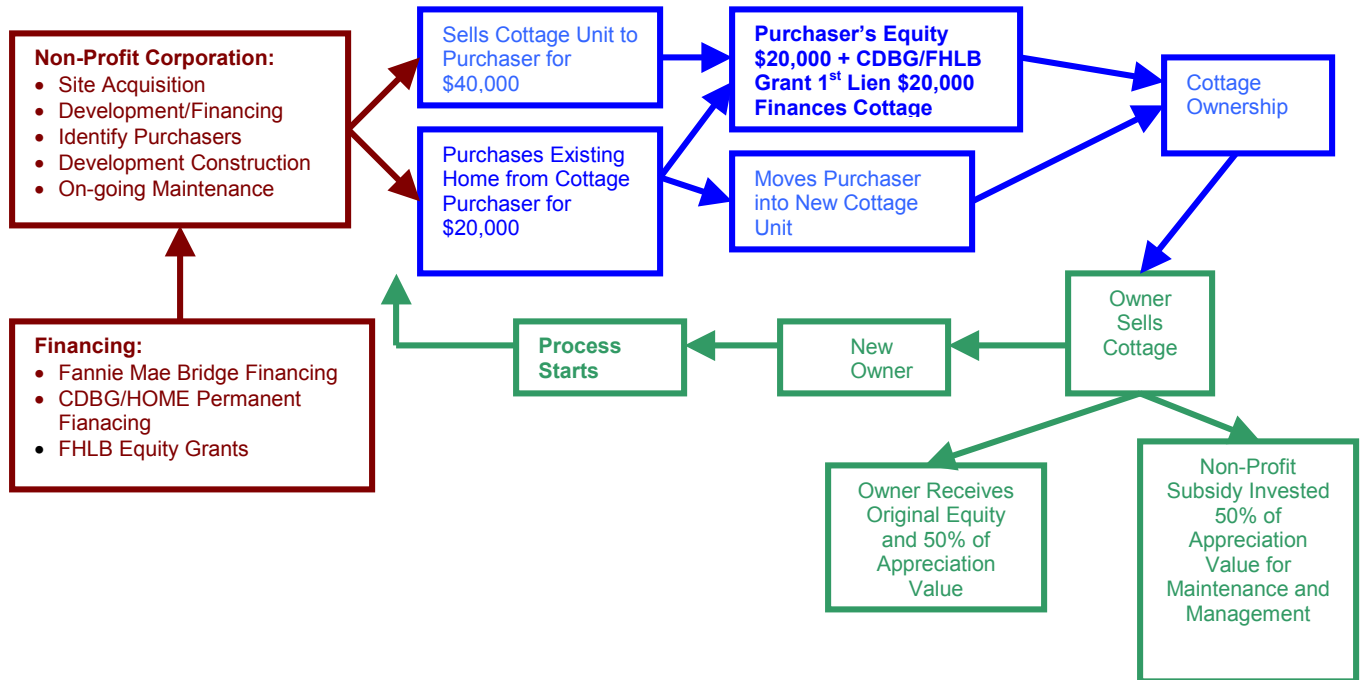
Provide Maintenance of the Cottage Community

The non-profit organization that manages the cottage community will be responsible for the maintenance of the community. Monthly neighborhood association dues should cover most of the cost of maintaining the grounds. The maintenance fund provided by contributions from the sale of the cottages should be used for paint-up/fix-up needs of the housing units. One cottage, in larger communities, could be set-aside for a groundskeeper, who provides maintenance services in exchange for free rent. Able-bodied residents may trade maintenance labor for association dues as specific project needs permit.

Future projects should be located in a variety of locations around the city, in neighborhoods that correspond to the rehabilitation program waiting list, so that applicants have a choice to stay in their own neighborhood where they have social and service networks already established. One organization or several organizations can manage the communities,

utilizing CDBG or HOME grant funding. Additional communities could be built on a for-rent model or to address the special needs of the mentally ill or for transitional housing opportunities.

Cottage Model Example



VI. 4. b. Modular/Factory Built Housing

This program design aims to place a pre-built home on an infill lot that will be indistinguishable from similarly priced site-built housing. As a pilot program, three modular/factory built homes should be placed on appropriate, permanent foundations in existing neighborhoods on infill lots.

The objective of the modular/factory built housing program design would be to:

- Utilize SADA's land assembly experience to acquire three infill lots for a demonstration project,
- Work with industry representatives or have a Request for Proposals competition to arrive at an acceptable design for an infill housing product for the selected neighborhood(s),
- Prepare the sites for the new homes,
- Put the new homes on the foundations and complete construction,
- Sell the homes to qualified homebuyers, and
- Evaluate success of the program and recommend future activities.

Best Practice:

Modular housing has been put to use for infill housing in demonstration projects around the country through an effort by the Urban Design Project. Their goal was to demonstrate that today's modular housing can meet the need for affordable housing and be aesthetically compatible to existing urban neighborhoods. Five cities were selected for the demonstration: Wilkesburg, Pennsylvania; Louisville, Kentucky; Washington, DC; Birmingham, Alabama; and Milwaukee, Wisconsin.

Each demonstration project produced a product that blended in with design features of existing housing stock. Housing units included site built accents, such as porches and garages. Homes sold at or below market prices for stick built housing.

**Benchmarks:**

Percentage of modular housing cost to site built cost (target 80%).

Time saved in construction process (target one month).

Utilize SADA's Acquire Three Infill Lots

Recommendations have been included in this document to create a role for SADA that involved land acquisition and land assembly in support of affordable and market rate housing projects. For this demonstration project, SADA should be utilized to identify and acquire three highly visible infill lots in appropriate neighborhoods to develop for modular/factory built housing. Lots should be in viable neighborhoods where most other lots have reasonably well maintained housing, have not existing structure on them that would need removal, have utility connections to the site, and have a clear title. The City should select a local non-profit agency to take the lead on the projects, providing funding from CDBG or HOME, to be repaid as program income upon closing. Future funding for continuation of the program would be dependant upon an evaluation of the success of the demonstration project. Lots identified and acquired by SADA would be transferred to the non-profit developer.

Work with Industry Representatives

The developer would then work with appropriate City staff to arrive at a set of design standards for the modular/factory built housing. The housing must meet all city development codes. When appropriate requirements have been outlined, a modular/factory built housing company will be identified to provide the product to be placed on the lots. This may need to be in the form of a Request for Bids/Proposals. If proposed costs exceed the cost of conventional site built housing, the project should be dropped and site built homes constructed on the lots provided.

Prepare the Sites for the New Homes

Infill housing sites will need to be prepared for the new modular/factory built housing. Each lot will need an appropriate foundation, specifics for which will be derived from specifications developed by City staff and requirements provided by the modular/factory built home company. At a minimum, site preparation should include:

- Clearance of trees or brush that may have grown within building site,
- Preparation of sidewalks and driveway,
- Provision of utility connections from street to foundation, and
- Preparation of an appropriate foundation.

All aspects of site preparation should be completed within construction schedule of housing as provided by the modular/factory built home company to be ready for housing as off-site construction is completed.

Put the New Homes on the Foundations

Upon completion of site preparations and construction of the home off-site, the modular/factory built housing company will deliver the housing units onto the completed foundations. The modular/factory built housing company will place each home on their foundations, completing all construction on the basic units. The non-profit developer will then provide contractors to provide any site-built addition required, such as porches, porte-cocheres, and/or garages. After completion, an open house should be conducted to provide the development an opportunity to view the finished product.

Sell the Homes to Qualified Homebuyers

At some point during the process, whether prior to construction or after, the non-profit will identify a qualified buyer for each home. The non-profit will provide homebuyer counseling and down-payment assistance as appropriate and as funding allows. Title transfer will include land and housing unit, constructed in a manner that specifies the site as real property, with taxes assessed accordingly.

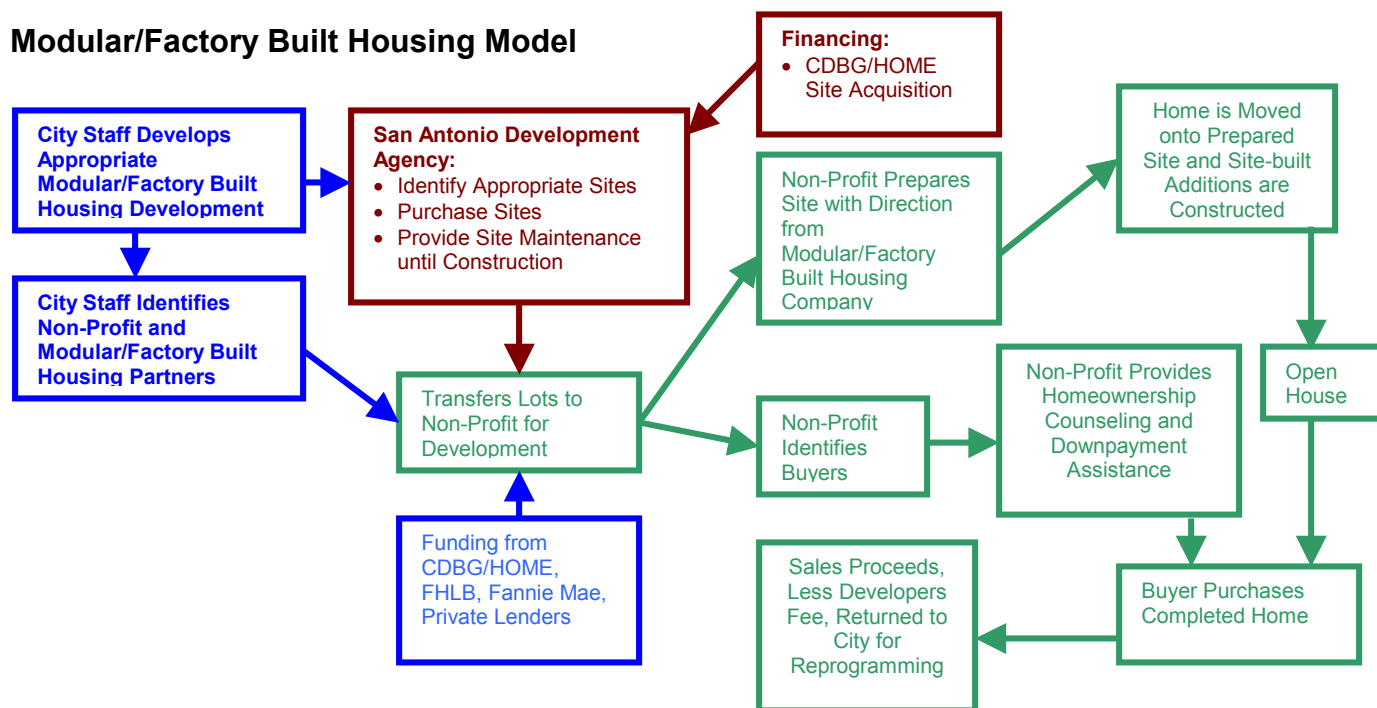
Evaluate Success of the Program

The results of the demonstration project should be evaluated. Relevant evaluation measures to be considered may include:

- Neighborhood acceptance of the finished product,
- Cost of product relative to site-built housing,
- Success in blending design to existing housing stock, and
- Ability of project to address affordable housing needs.

The results of the evaluation should be used to determine the future of modular/factory built housing development in San Antonio. If deemed successful, the demonstration project should be replicated for infill housing and for development of communities of modular/factory built housing.

Modular/Factory Built Housing Model



VI. 4. c. Employer Assisted Housing

Military housing has been identified as a significant issue for San Antonio due to the number of military personnel associated with area military installations. The military has made a shift toward private sector housing rather than on base units to meet its military housing needs. Given this changing direction, employer assisted housing should be explored to help meet their needs.

The program objectives would be:

- To identify opportunities to match military personnel demand for housing with the private sector supply of housing;
- To Reserve units for purchase and rental by military personnel through master agreements between military and private sector; and
- To develop military provided incentives that serve to increase the interest of their service men and women in off base housing and to lower their financial risk given their frequent relocation.

Program Structure

Military housing assistance would offer four types of housing support.

1. **Housing Assistance** – housing allowances as provided currently and homeownership assistance in the form of closing cost grants for homebuyers. Purchasers not using VA mortgages may also be eligible for down payment assistance.
2. **Rental Reservation** – Master agreements between apartment owners and the military to reserve apartment units for military personnel. Apartment owners would reserve an agreed upon percentage of units that become vacant for military personnel, removing those units from the market for up to 90 days. The military would guaranty rent payments for that period and pay security deposits for its personnel.
3. **Relocation Package** – Military personnel purchasing housing on the private market would be offered a “military assistance relocation agreement” upon purchase. The relocation agreement would provide, in the event the personnel were reassigned to another base, for guaranteed purchase of their house by the military at an agreed upon fixed price should the house not sale within 90 days of being on the market. Additionally, the military would pay 50% of the sales commission and 50% of the mortgage payment during the 90 days sales period if personnel have to find alternative housing. The military would have the right to initiate a third party purchase of the unit by military personnel at the agreed upon fixed price during that 90 day period.
4. **Development Set Asides** – Military secure agreements with homebuilders developing planned subdivisions to reserve a percentage of their units for military personnel purchase for up to ninety days after construction. Military agree to pay 1% of the purchase price for each month of the reservation.

While the exact amounts and percentages of subsidy will need to be determined by the military and in concert with their negotiations with the private sector, our model provides a framework for military support in housing. More favorable conditions may be negotiated depending upon the market conditions.

VI. 4. d. Shared Housing

Shared housing, as a concept, covers a wide range of communal living arrangements, from unrelated roommates sharing a two-bedroom apartment to a multigenerational household of related family members. Of interest here is an intergenerational, financially assisted, transitional housing, living arrangement of non-related individuals and single mothers with children. Within this living arrangement, the older generation household members provide assistance to the single mothers through child-care and shared kitchen and household cleaning duties. The single mothers work or attend classes, do the grocery shopping, and share kitchen and household cleaning chores. Children, as age and abilities allow, help around the house and yard and/or attend school. Along with financial assistance, the non-profit sponsor of the housing facility will provide self-sufficiency classes to assist residents' in their transition to non-assisted housing arrangements.

The objectives of the Shared Housing Model are:

- Identification of an appropriate non-profit agency to sponsor the Shared Housing Model,
- Identification and purchase of an appropriate housing unit,
- Rehabilitation of the housing unit in a fashion appropriate for the Shared Housing Model,
- Identification of eligible residents for the Shared Housing unit,
- Provision of self-sufficiency classes to assist residents' transition to non-assisted housing, and
- Management and maintenance of housing facility.

Identification of an Appropriate Non-Profit Agency

Several agencies in San Antonio provide transitional housing services to the homeless. SAMM and the Salvation Army are just two of the type of non-profit provider that might be considered for this effort. The City should provide details of the project in a Request for Proposals, with the evaluation criteria fully specified. Funding sufficient to meet approximate development costs should be set-aside from the City's CDBG or HOME allocation, or placed in a high priority position in the next Supportive Housing Grant application. The selected agency should have experience with transitional housing, self-sufficiency training, a property management background, and a clean grants management record.

Identification and Purchase of Housing Unit

The housing unit to be used for the intergenerational, shared housing demonstration needs to have several bedrooms and bathrooms to provide space for a number of group members. Given this requirement, it is likely that the housing units will be fairly large, in square footage terms. A household size of one elderly and one single mother with children (2 children per single mother maximum, with an upper age limit of 11) is recommended for the demonstration project. Three bedrooms and two bathrooms would be necessary to accommodate a household of this size. Common areas needed would include a kitchen, dining area, and living area. A yard with room for some playground equipment would be desirable.

Rehabilitation of the Housing Unit

Once the housing unit has been identified and purchased, any necessary rehabilitation needs must be addressed. Older homes will likely require a larger amount of rehabilitation. The rehabilitation effort should relieve any deficiencies in the condition on the house, address any unsafe conditions, provide central heat and air, assure the soundness of plumbing and electrical systems, and upgrade insulation and provide weatherization needs. Rehabilitation services should be provided through a qualified contractor identified through an appropriate bid process. If possible, the home could be run through the Fannie Mae run HARP program, utilizing their contractor base for the rehabilitation effort. The completed structure must meet all development code requirements.

Identification of Eligible Residents

Residents should be identified through an application process among current occupants of SAMM, Salvation Army, and other shelter and transitional housing facilities and the San Antonio Housing Authority waiting list for elderly housing. Single mothers must either be employed or enrolled in school. Single mother residents may stay at the facility for up to 24 months, at which point they should be ready to find non-assisted housing opportunities. The elderly residents should not be in need of assisted-living services. Elderly residents should be allowed to remain in the facility as long as they do not need assisted-living arrangements. All residents should pay a minimum rent, based on their income.

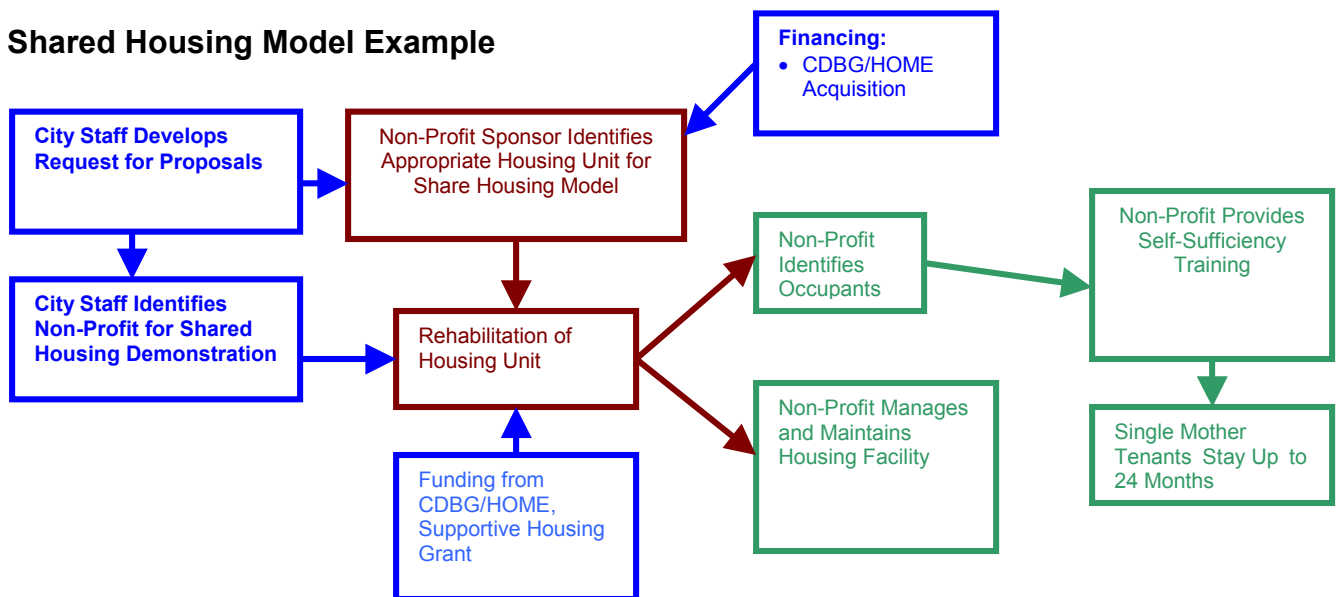
Provision of Self-Sufficiency Classes

The non-profit sponsor should provide self-sufficiency classes to the single mothers to assist them in their efforts to provide for their own living arrangements. Classes could be an offshoot of existing self-sufficiency programs operated by SAHA, SAMM, or other agencies.

Management and Maintenance of Housing Facility

The non-profit should use rents collected from the residents to provide management and maintenance of the housing facility. Residents will be expected to perform daily living activities, such as cooking and cleaning. Yard work can be assumed by a resident with an interest in working outdoors or provided by maintenance crews used by the non-profit sponsor. Routine maintenance of the facility should be addressed in a timely manner to avoid allowing the facility to fall into deterioration.

Shared Housing Model Example



VI. 5. Resource Assessment

Available Resources

The City of San Antonio has four major funding sources for use in affordable housing production programs, the Community Development Block Grant (CDBG), the HOME Partnership Program, the Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). For the fiscal year 2000 – 2001, the City of San Antonio received the following amounts from the U.S. Department of Housing and Urban Development:

CDBG	\$20,143,000
HOME	\$ 7,076,000
ESG	\$ 712,000
HOPWA	\$ 823,000

According to the 2000 – 2001 Consolidate Annual Plan, the CDBG budget was divided by use as follows:

Housing (Including Housing Administration)	22.22%
Capital Improvements	33.24%
Public Service	13.58%
Neighborhood Revitalization/	
Economic Development	15.82%
Administration	14.85%

The entire HOME allocation, aside from administrative funding, is dedicated to affordable housing. The ESG grant is for homeless shelters and services. The HOPWA grant provides housing and services for persons with AIDS and their families.

San Antonio has also receives funding through the Supportive Housing Grant SuperNOFA for use in providing homeless services and housing opportunities. Over the past two years, agencies within Bexar County received:

1999	\$ 5,800,181
2000	\$ 5,156,044

Each of the programs mentioned above leverage private sector funding for a variety of uses, ranging from equity financing to the provision of social services.

Additional resources have been dedicated to affordable housing production through a Fannie Mae contribution to the Housing Asset Recovery Program (HARP). Through HARP, Fannie Mae utilizes its own National Property Disposition Center, which is charged with the rehabilitation and sell of its own repossessed properties, to provide rehabilitation of City sponsored properties. Rehabilitation is provided by certified contractors that work with Fannie Mae on their own properties. The revenues generated from the sell of the property repay Fannie Mae for its rehabilitation expenses, plus a management fee, with the remainder of the proceeds going to the City's housing programs, with no regulatory strings attached, as found with CDBG and HOME grant funding. So far, the program has been used to move and rehabilitate homes found to be in the flood plain. The program has completed one unit (as of March, 2001), with five more under construction. Fannie Mae expects a total of 75 units to be completed within the first 18 months. The program is expected to be expanded to include properties received in tax foreclosures.

Other funding sources for affordable housing production in San Antonio include the San Antonio Housing Trust, which provides funding from its interest earning on the trust principal and provides bond financing of mortgages and mortgage tax credits, and the San Antonio Housing Authority, which receives funding from HUD for public housing, Section 8 certificates and vouchers, and HOPE VI funding to provide replacement housing for public housing developments recently demolished. SAHA's HOPE VI projects for Spring View and Mirasol provide single family housing, some of which will be built by private developers and offered for sale to lower-income homebuyers.

A number of housing programs are operated by non-profit community and faith based organizations. Some of these programs bring additional resources to housing production in San Antonio. Some of these activities have been detailed earlier in this document under the Community and Faith-based Self-Help Initiatives section.

Allocation of CDBG Funding

As mentioned in the Housing Policy Recommendations section of this document, City Council should establish a policy that provides direction on a desired distribution of CDBG funding, to reflect programmatic priorities that Council establishes. This distribution should be determined within HUD guidelines that permit no more than 15 percent of the CDBG funding to be used for Public Service activities and no more than 20 percent of the budget be used for Administration (the admin cap does not include administrative expenses associated with direct program delivery, i.e. the salary of an inspector working in a rehabilitation program). The

distribution percentages for the various funding categories, as shown above, should be established by Council and application evaluation and award should be based on those percentages.

Evaluation of CDBG and HOME Funding Proposals

The Housing Performance Review conducted by Arthur Andersen in June, 2000 pointed out that there was no clear evaluation process being used for the distribution of CDBG and HOME funding, with the exception of HOME CHDO funding being awarded by the San Antonio Housing Trust. The City should create formal request for proposal and proposal evaluation guidelines that would steer the process of awarding and distributing CDBG and HOME funding.

The following delineates a list of general requirements, necessary to provide a foundation for the City's decision making as it relates to evaluation of CDBG and HOME grant proposals. These general requirements also serve to insure that the City has the ability to fulfill its commitments to a project. These general requirements are followed by a list of project selection criteria recommended to guide the evaluation of specific housing proposals in the future. This sample evaluation guide for homeownership projects should be used as a guide for the development of similar evaluation methodology for other types of CDBG and HOME eligible projects.

General Requirements

- The City should establish formal criteria to guide applicant submission and City review of affordable housing proposals.
- Evaluation criteria should be well defined and adhered to by the evaluation committee.
- Timelines for proposal intake should be well defined and based on timeframes that allow for receipt and review of applicant proposals prior to deadlines for City submissions to HUD.
- The City should utilize the San Antonio Development Agency for land assembly activities to receive, purchase, or transfer vacant lots on an interim basis until lots can be sold or donated for affordable housing providers.

Project Selection Criteria

Project Readiness

- Evidence of site control (deed of trust or 12-month or greater land option),
- Evidence of property eligibility for title policy,
- All real estate taxes are current or agreements in place to remedy such liens,
- All liens/encumbrances must be extinguished prior to City advancing funding, and
- Applicant is not currently engaged in any legal actions with the City.

Financial Strength of Project

- Does the project financial transaction proposed make sense and can its project goals be realized?
- What is the overall financial strength of the project and the developer?
- Financial commitment of developer's financial resources, funds/equity,
- Timing of the developer's resource commitment to the project (before, after, or on a prorated basis with City resources to the project), and
- Extent to which City contribution is proposed for repayment by applicant.

Housing Affordability

- Percentage of persons of low/moderate income to be served,
- Percentage of subsidy financing to total project cost,
- Percentage of leverage of City/federal dollars to private dollars in the project,
- Extent to which project proposes pre-homebuyer services, where appropriate (credit counseling, debt management, housekeeping, maintenance), and
- Extent to which project proposes post-homebuyer services, where appropriate (neighborhood associations, mortgage relief funds, homebuyer payment monitoring).

Location Criteria

- Location is within the designated City target area,
- Project proximity to recreation facilities,
- Project proximity to schools, shopping, public facilities, major employers,
- Condition of existing infrastructure necessary to support development or provision for the same by the applicant,
- Overall project impact on the City's homeownership goals,
- Accessibility and options for mobility for home purchasers,
- Existence and proximity of obnoxious land uses and environmental issues and the extent to which the project mitigates such concerns, and
- Developer's commitment to the use of landscaping, open space, and amenities to improve the quality of life for its residents.

VI. 6. Urban Design Strategies

Neighborhood revitalization and the development of affordable housing in existing neighborhoods requires going beyond the development of housing itself. Various urban design concepts and design treatments can provide support in such efforts. Three areas are critical: 1. Increase neighborhood identity; 2. Improve neighborhood image and amenities; and 3. Improve the design qualities of public facilities and infrastructure.

Increase Neighborhood Identity

One of the problems facing revitalization of existing neighborhoods and small in-fill subdivisions within the inner city is the lack of identity which gives them a sense of place. By creating a stronger identity for a neighborhood, residents can have pride in their neighborhood and feel a stronger commitment to its future. This will contribute to increases in resident investment in maintenance and improvement of their homes, and aid in marketing new in-fill housing developed on vacant lots. The following design features and concepts can contribute to creating stronger neighborhood identity.

- Gateways and Entrance Treatments
- Bringing a neighborhood out to a major thoroughfare where possible;
- Distinctive street signage and other streetscape fixtures;
- Consistent landscape themes among properties;
- Intersection improvements.

Improve Neighborhood Image and Amenities

A lot of existing inner city neighborhoods suffer from a poor quality image and often lack the amenities of newer, higher quality neighborhoods. The image of a neighborhood is low when the very basic public facilities like streets, curb and gutter, and sidewalks are not built to the standards in the rest of the city. However, once these facilities are in place, additional things can be done to improve a neighborhood's image and level of amenities. These include the following:

- Creation of pocket parks in key locations within the neighborhood;
- Connection to nearby open spaces;
- Utilization of drainage facilities as walking and jogging paths;
- Creation of community gardens;

Improve design of public facilities and infrastructure

At a most basic level, inner city neighborhoods need adequate public infrastructure including paved streets, curbs and gutter, storm drainage, water and sewer facilities and sidewalks. How these items are designed and constructed can contribute to image and identity and thereby facilitate neighborhood revitalization and reinvestment. Items that can be designed

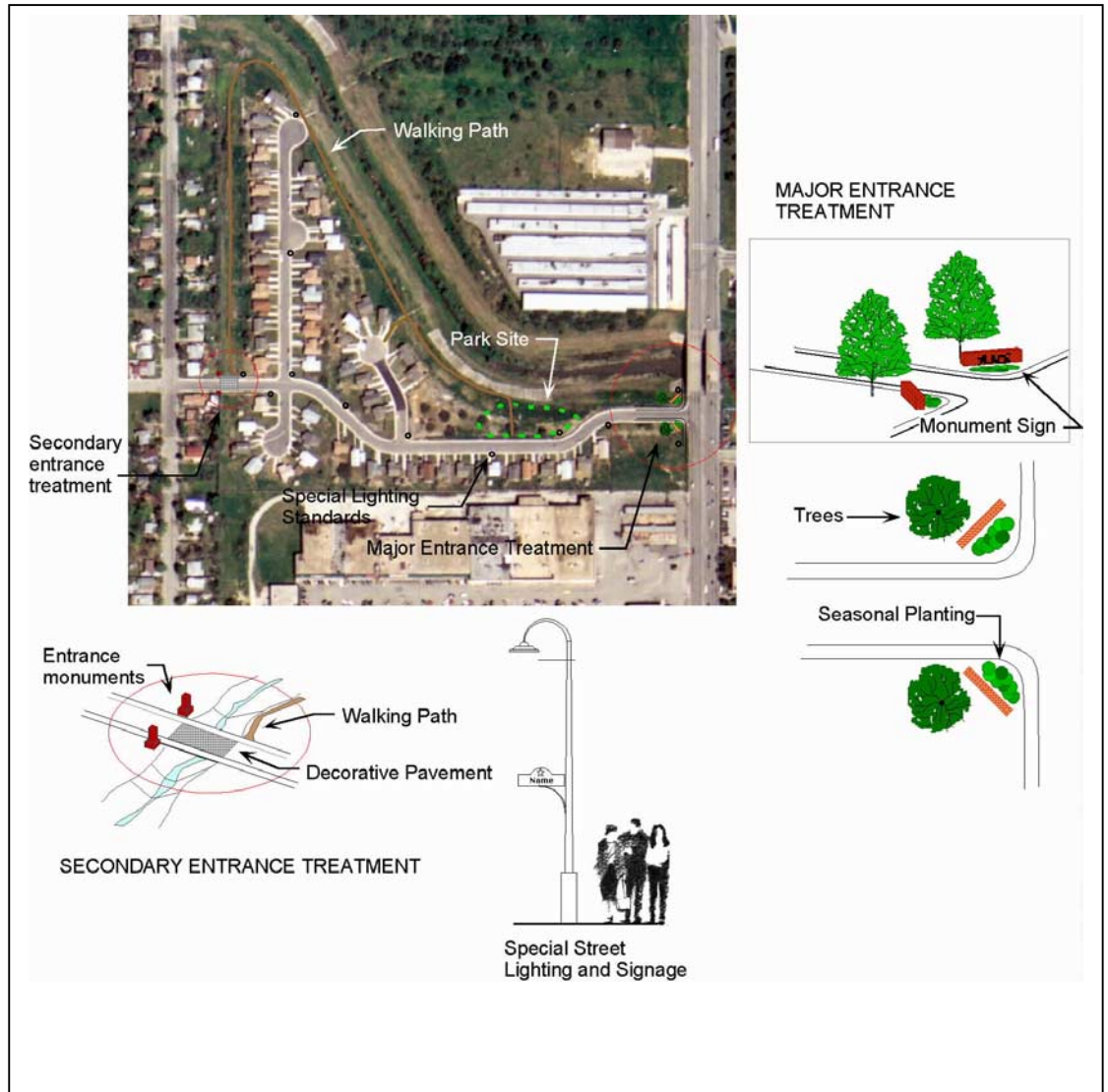
to contribute to neighborhood image and identity at reasonable costs include the following:

- Intersection improvements and cross walks;
- Design treatment of any retaining walls required in re-building and, or paving existing streets;
- Landscaping of small areas left over from street widening or other public acquisition of land in carrying out the more basic infrastructure improvements.
- Street lighting and signage standards.

Illustrations of Various Urban Design Concepts

The illustrations on the following pages take two existing neighborhoods and show how the implementation of these design concepts could contribute to improving the image and identity of the area. The Rosedale neighborhood is a relatively new in-fill housing project while Sunny Slope is an older neighborhood getting new streets and starting the process of in-fill housing development on vacant lots throughout the area.

V. 6. a. Rosedale Urban Design Illustration



Rosedale Urban Design Illustration



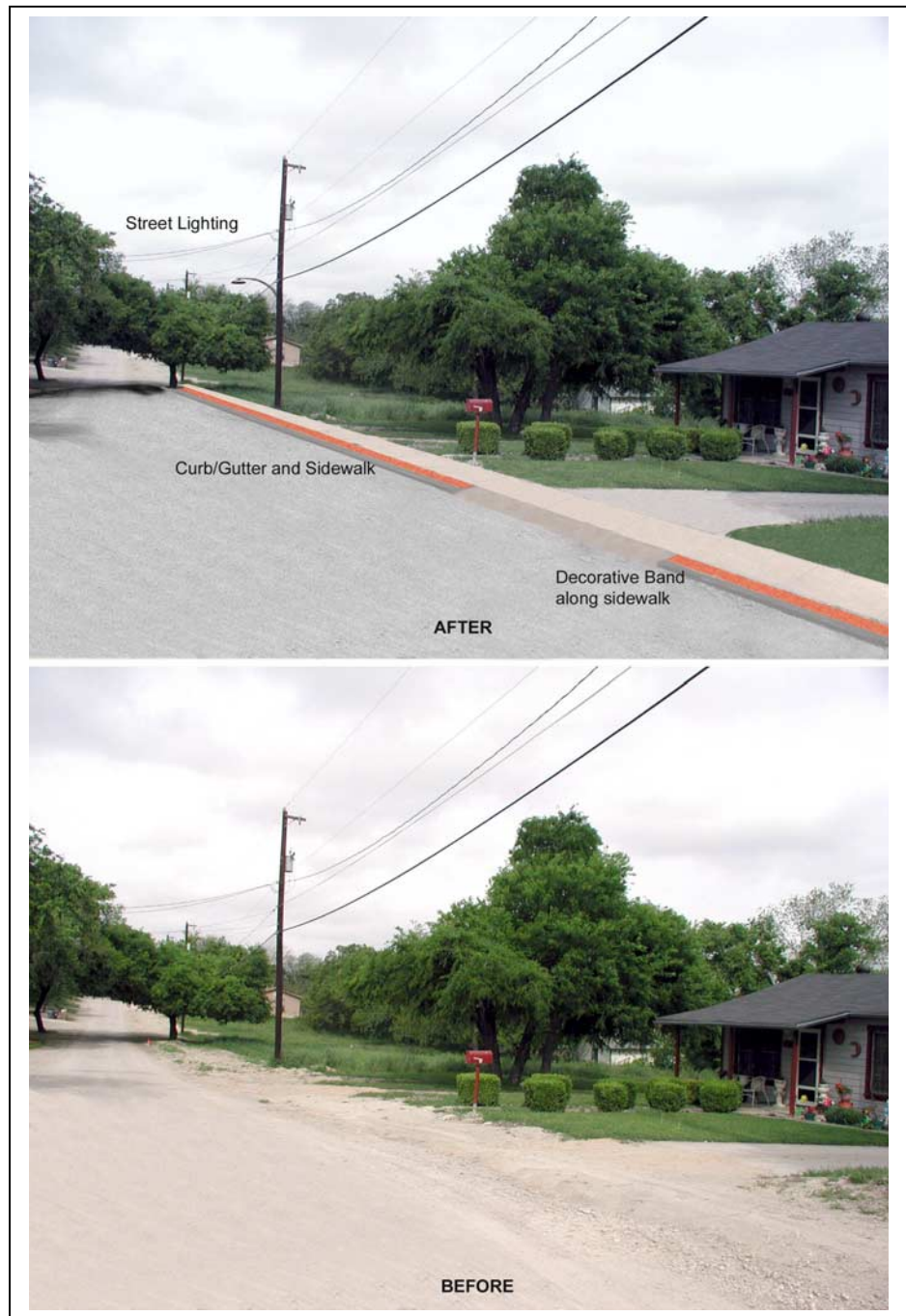
V. 6. B. SUNNY SLOPE URBAN DESIGN ILLUSTRATION



SUNNY SLOPE URBAN DESIGN ILLUSTRATION



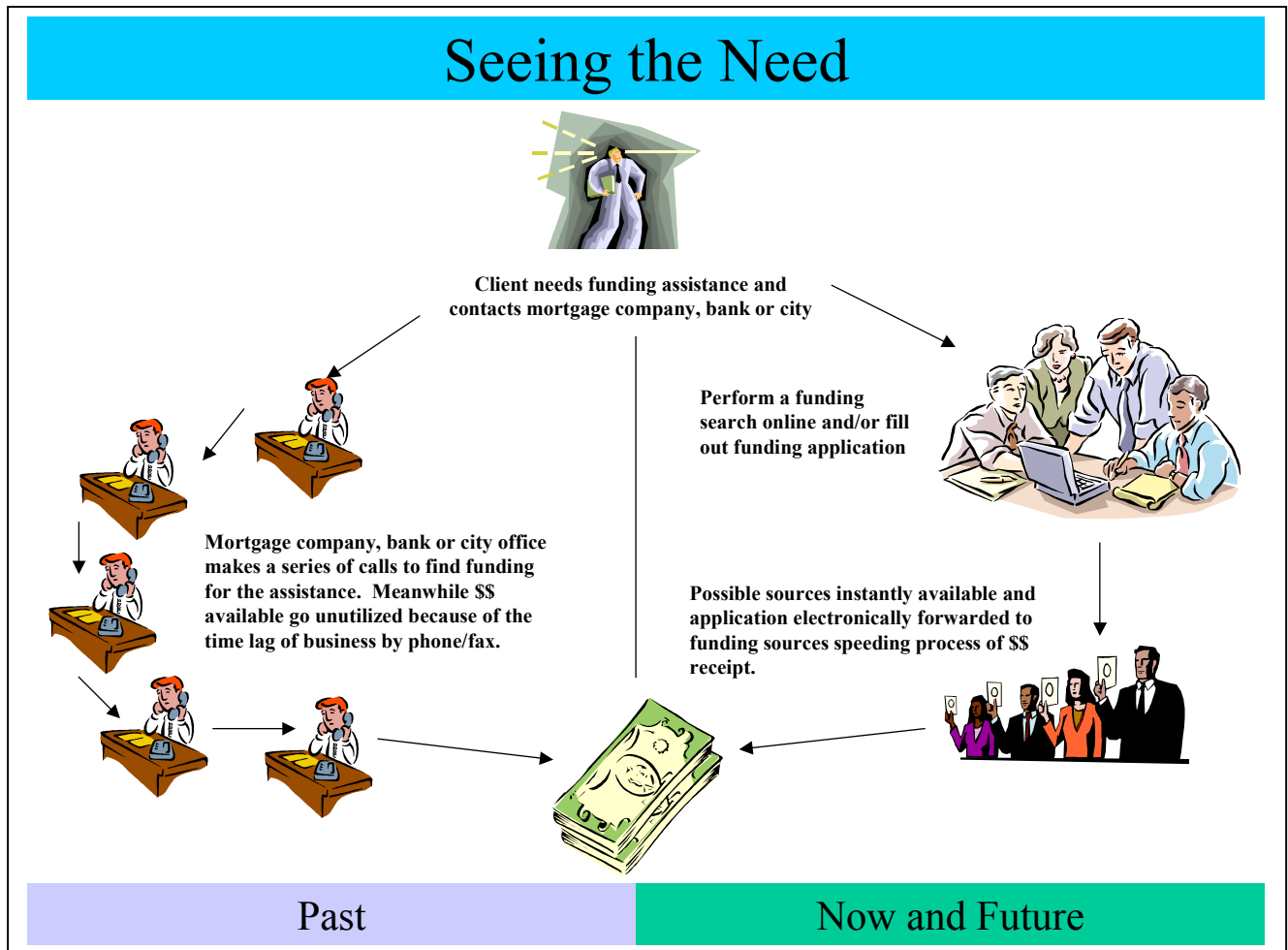
SUNNY SLOPE URBAN DESIGN ILLUSTRATION



VI. 7. E-Commerce Strategies

As a result of the recommendations from the Housing Performance Review from June 2000, the City has begun a process to consolidate development related services in a single physical location, a One-Stop Shop. Permitting, inspection, and other related activities will be within one building so that developers, when working with the City on a construction project, do not have to make multiple stops to complete the variety of contacts made in the process of putting a project together. The One-Stop Shop physical location is also the site where the development ombudsman recommended earlier will be located.

The City should now take this concept to the next level with the development of a virtual one-stop shop. The virtual one-stop shop can combine the services of the various departments involved in housing development, plus provide opportunities for the non-profit housing providers to be included in the overall picture of the housing delivery system.



The web site should be an interactive link to the development community and to citizens, as potential customers of the delivery system. Not only should complete and up-to-date information be available, such as funding levels, programmatic partners, and contact information, but also the site should provide developers the ability to identify potential development sites through an interactive database, non-profits should be able to download requests for proposals and upload their responses, citizens should be able to identify available assistance programs and submit applications to the appropriate agency, and sub-grantees should be able to submit quarterly performance reports all through the virtual one-stop portal.

The following are examples of services that should be offered over the virtual one-stop shop web site, by user group:

Citizens:

- Locate assistance programs for which they qualify,
- Remotely submit applications for program assistance directly to the funding agency,
- Search a database of currently available housing developed by non-profits developers or through the Parade of Homes projects,
- Contact information for agencies or non-profit developers,
- Download the Housing Master Plan,
- Download presentations from Housing Summits,
- Register for Housing Summits,
- Gather information concerning public meetings related to the CDBG and HOME allocations or program development, and
- Submit code compliance complaints.

Developers:

- Search an interactive database for properties that are owned by public agencies that may be suitable for their development goals,
- Post information on housing units for sale that have been built through the Parade of Homes programs,
- Contact City staff concerning project, inspection, permitting, or programmatic issues,
- Gather information concerning public meetings,
- Download urban design standards associated with a Parade of Homes development,
- Download presentations from Housing Summits,
- Register for Housing Summits,
- Research potential partnership opportunities with non-profit developers,
- Locate available social service providers as potential partners in elderly and special needs housing projects,

- Explore available development incentive programs for downtown housing, sustainable development, and walkable community concepts. and
- Download program guidelines for sustainable development.

Non-profit Developers, in addition to the Developer list:

- Download Requests for Proposals for use of CDBG funding,
- Upload responses to Requests for Proposals,
- Maintain a current inventory of assistance available online,
- Receive assistance applications online,
- Receive service requests from clients online,
- Review schedules relating to Capacity Building Program,
- Review funding opportunities,
- Post a list of volunteer and/or material needs, and
- Post descriptions of pending projects and funding/partnership possibilities for review by developers and financial institutions.

Financial Institutions:

- Investigate potential lending opportunities, many of which would provide CRA credit,
- Download Housing Master Plan,
- Receive mortgage applications (or provide links to their own online mortgage application process),
- Provide lower-income clients access to assistance programs through online application process,
- Download presentations from Housing Summits,
- Register for Housing Summits,
- Marketing opportunities through association with City sponsored programs, and
- Gather information concerning public meetings.

Realtors:

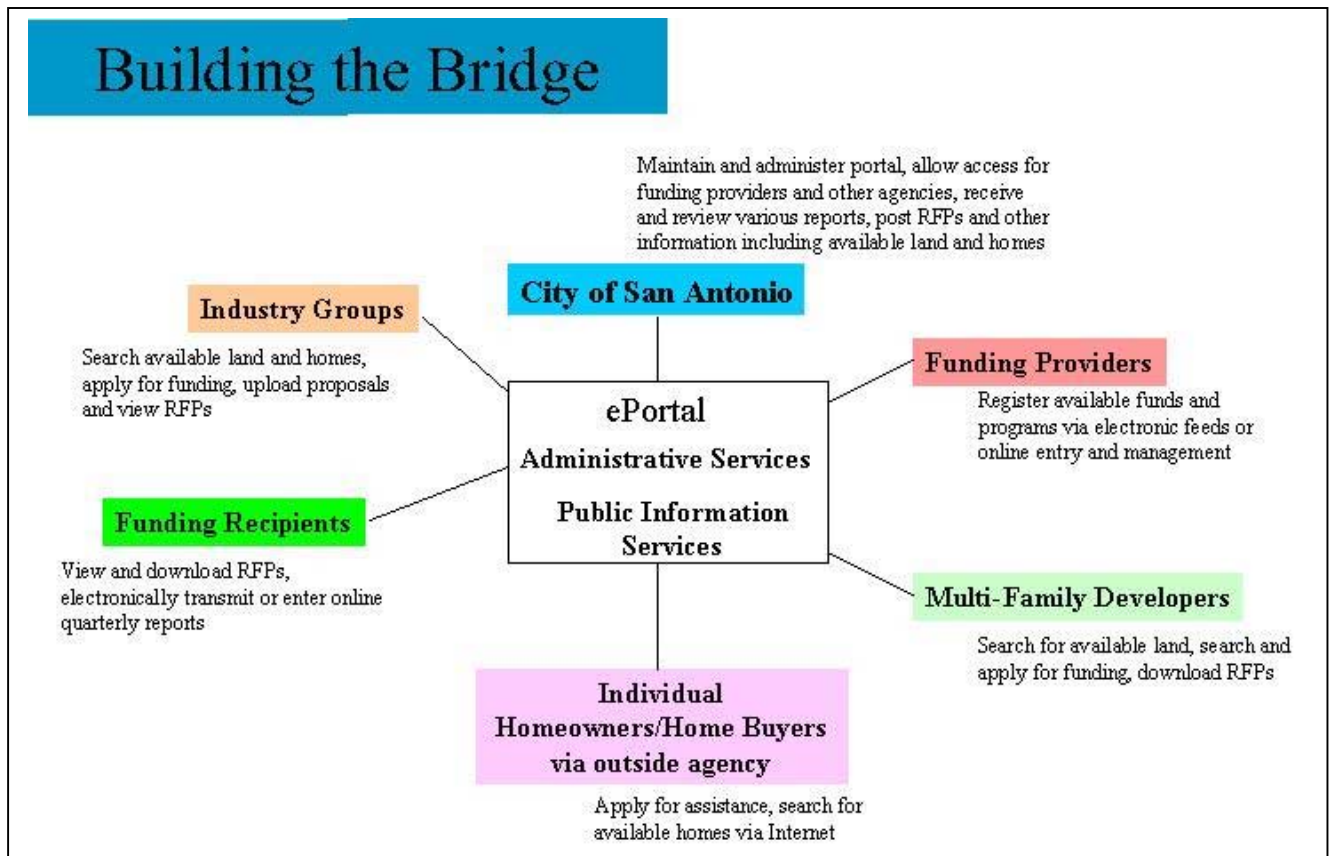
- Locate properties associated with the Parade of Homes projects for clients,
- Identify assistance programs for which clients qualify,
- Assist clients with assistance applications,
- Download Housing Master Plan,
- Download presentations from Housing Summits,
- Register for Housing Summits, and
- Gather information concerning public meetings.

City Staff:

- Post Requests for Proposals,
- Receive responses to Requests for Proposals,
- Receive quarterly production reports from sub-grantees,

- Receive applications for assistance programs from citizens,
- Post notices for public meetings,
- Post presentations from Housing Summits,
- Receive registrations for Housing Summits,
- Receive code compliance complaints,
- Receive service requests from citizens,
- Post funding availability notices from other sources (federal, foundation, corporate, etc.)
- Provide a database of available government properties that may be bought for development projects, and
- Provide a virtual link for social service agencies to share client information.

The lists provided above are by no means complete. The possibilities are almost endless. The virtual one-stop should be constructed and maintained in such a way that information is current and readily available, information submitted is safeguarded (for instance, when sharing client information, users should be registered and the site requires passwords for security purposes), and the overall impact of the site is construed as helpful, facilitating access to programs and information.



Server space for the site must be identified, most likely on the City's server system, but potentially on a server operated by the San Antonio Housing Authority or other agency. The site should be developed by a contractor, current in interactive processes, data warehousing, and development languages. Maintenance of the site should be performed by dedicated staff whose sole responsibilities involve gathering and posting relevant information (such as available housing, funding opportunities, and public notices).

This project is an opportunity for the City of San Antonio to develop a leading-edge customer service tool that has, till now, been put to good use in the private sector, but has not found its place in public sector uses. The use of the internet for many of the requirements of daily living is becoming more and more common place. Individuals, and companies, can now purchase products, pay bills, apply for credit cards and car loans, make hotel, car, and airline reservations, and locate homes for sale across the country. Public sector organizations have provided the information-based pages that inform citizens of the function of their government, but little has yet been seen that provides interactive access to programs and services.

The Fannie Mae Foundation has as a goal for 2001 the development of online mortgage application processes. They, and other interested parties, may be potential funding partners in the development of the virtual one-stop system. The virtual one-stop can become a valuable community asset, aiding not only the City and non-profit developers, but the whole spectrum of players in the housing industry, providing immediate access to funding programs, housing and development opportunities, and creating a networking opportunity that may lead to an expansion of resources available for affordable housing development.